

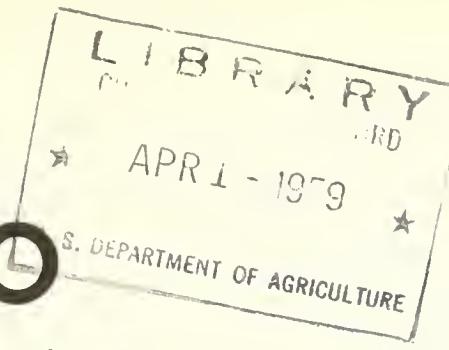
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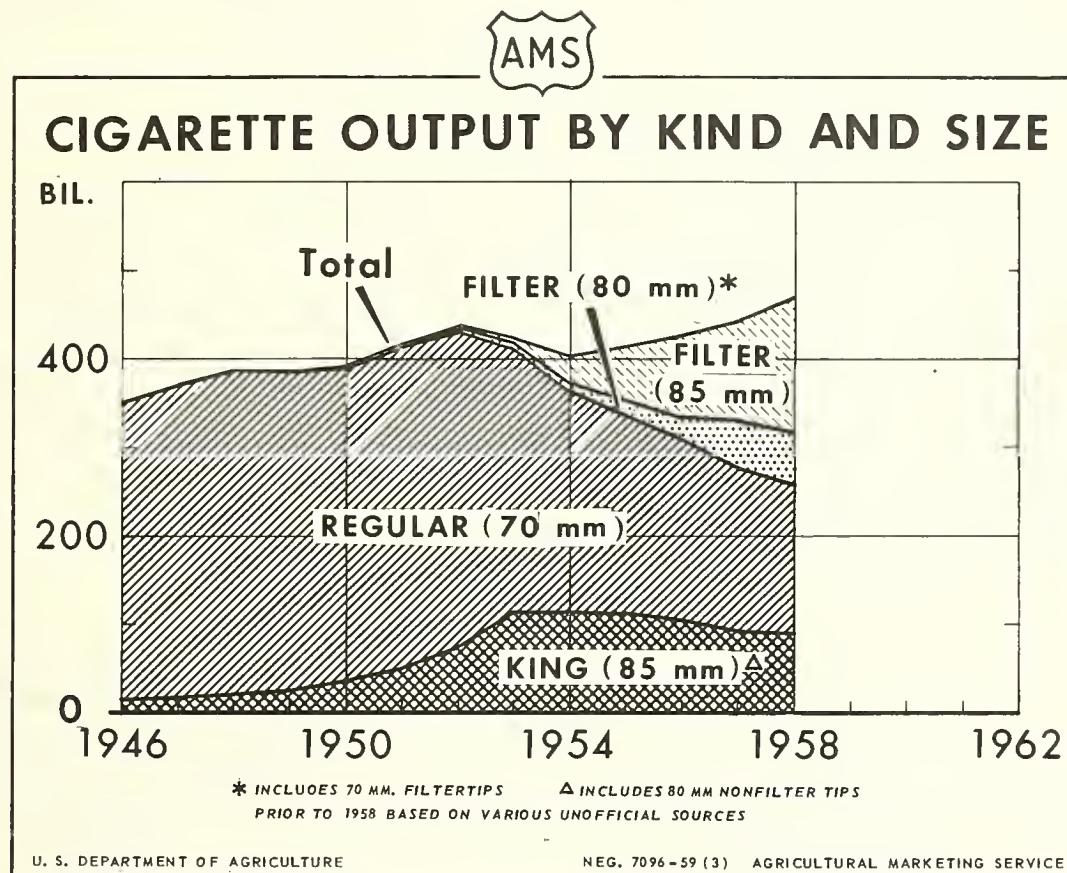
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# The TOBACCO SITUATION



March 1959  
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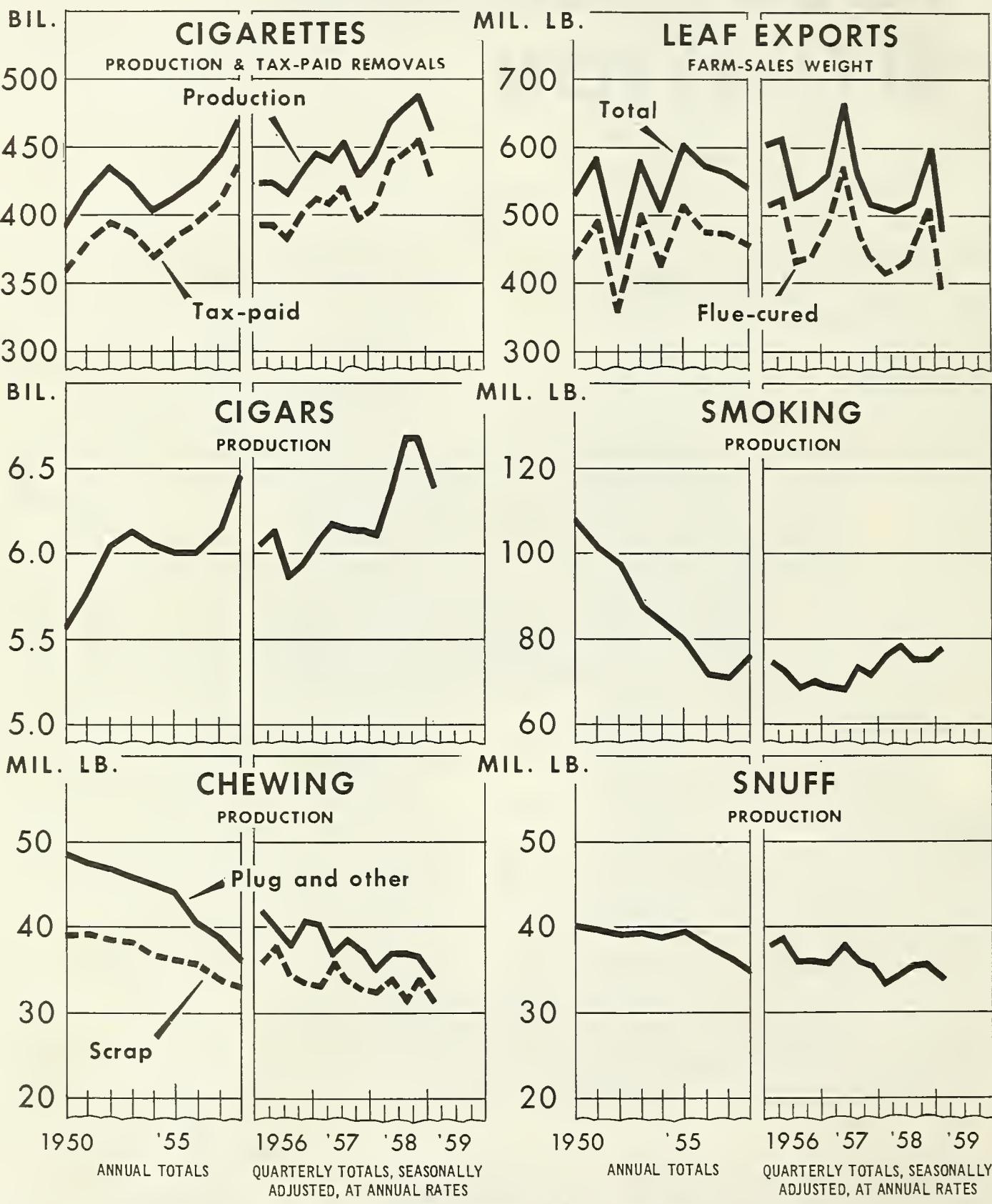
Total output of cigarettes in 1958 rose to a record 470 billion--6 percent above 1957 and 17 percent above 1954, the low point in the past 8 years. In 5 years, the proportion of filter tip cigarettes jumped from 9 to 45 percent of the total. Filter tip cigarettes continued to make a large absolute gain in 1958 but the rate of increase slowed appreciably compared with the previous 3 or 4 years. Output of the

regular-size and king-size (including long-size) nonfilter tip cigarettes comprised 36 and 19 percent, respectively, of 1958 total output. Five years ago, regular size nonfilter tips were about 63 percent of the total and king size about 28 percent.

Cigarette output in 1959 is expected to continue to gain but perhaps not as much as in 1958.

# TOBACCO OUTLETS

*Recent Trends in Manufactured Products and Exports*



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THE TOBACCO SITUATION  
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Approved by the Outlook and Situation Board, March 24, 1959

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SUMMARY

For most kinds of tobacco, 1959 production is likely to be moderately larger than either of the last 2 years, but smaller than most other postwar years. Acreage allotments for most farms in 1959 are the same as in 1958, but much of the allotted acreage placed in the acreage reserve of the Soil Bank program last year is being returned to production this year. Carryovers of most types are still of considerable size.

Output and consumption of cigarettes and cigars in 1959 are expected to top 1958. Consumption of smoking tobacco rose considerably in 1958--a further appreciable gain does not appear likely in 1959. Consumption of chewing tobacco probably will continue to trend downward. Snuff consumption, after declining in the last 3 years, this year may hold about even with 1958.

Exports of unmanufactured tobacco in calendar year 1958 were about 4 percent below 1957 but nearly the same as the recent 10-year average. Shipments of tobacco sold for foreign currencies accounted for about 8 percent of total exports, compared with 7 percent in 1957. Tobacco exports in 1959 may be fairly close to the 1958 level.

Cigarette output at 470 billion in calendar 1958 exceeded the previous high of 1957 by 6 percent. Cigarette consumption by U.S. smokers--including

those in the Armed Forces--scored a greater gain from 1957 to 1958 than in any other 2-year period in peacetime. The number of cigarettes consumed per person 15 years and over in 1958 rose to a new high of about 185 packs. This was  $4\frac{3}{4}$  percent above 1957 and 1 percent above the previous record of 1952. Commercial exports of cigarettes in 1958, accounting for about 4 percent of output, were the highest in 9 years. About 45 percent of total cigarette output was filter tips. Filter tip cigarettes will likely further broaden their share of the market, but at an appreciably slower rate than in recent years.

The 1958 consumption of cigars and cigarillos by smokers in the United States and by the overseas Armed Forces was near  $6\frac{1}{2}$  billion--about  $4\frac{1}{2}$  percent above 1957 and the largest number since 1929. Cigars consumed per person 15 years and over rose to nearly  $5\frac{1}{4}$ -- $3\frac{1}{4}$  percent above 1957 and the highest since 1946. A substantial proportion of large and small cigar manufacturers have converted many brands to the use of processed binders. There are indications that brands representing perhaps four-fifths of total cigar output may be using processed binders by the end of 1959.

In the final quarter of 1958 and early months of 1959, there was a sharp rise in the output of small cigars. These are cigarette-size and weigh not more than 3 pounds per 1,000. Small cigars are not included in total cigars as usually reported, although cigarillos are. If the output of small cigars is maintained at recent monthly rates, calendar year 1959 output may range from 600 to 900 million--sharply above the 170 million in 1958 and the preceding 5-year average of 58 million.

Output of smoking tobacco for pipes and "roll-your-own" cigarettes was 76 million pounds in 1958--8 percent higher than in 1957 and the first annual increase in 9 years. Most of the gain occurred in the first half of 1958, when the recession reached its lowest point.

The 1958 outputs of chewing tobacco and snuff were near 69-1/3 and  $3\frac{3}{4}$  million pounds, respectively. The major chewing tobaccos--scrap and plug--were down 3 and 6 percent from 1957, and snuff output dropped 4 percent.

The 1959 prospective acreages for flue-cured and burley tobaccos as of March 1 are 9 and 1 percent larger than harvested last year. Last year, yields of flue-cured per acre were particularly high. If yields per acre are near the averages for recent years, the 1959 crop of flue-cured may be up about 2 percent from last year. The burley crop may be about 5 percent above last year's small outturn. Carryover of flue-cured on July 1, 1959 appears likely to be about 5 percent lower than a year earlier. Assuming average yields, this year's crop of flue-cured plus the carryover will provide a total 1959-60 supply of about 3.3 billion pounds--3 percent less than for the current year and down 11 percent from the record level of 1956-57. Carryover of burley next October 1 may be down 4 percent but if, with average yields, this year's crop should be up 5 percent, the total 1959-60 supply of burley might be only 1 percent less than for the current year. Growers of flue-cured on December 15 and of burley on February 24 voted to continue marketing quotas on their 1959, 1960 and 1961 crops.

The supply of Maryland tobacco in the current marketing year is 4 percent less than for 1957-58. Auctions for this type begin April 28 for the crop raised in 1958. The 1958 crop is estimated to be about an eighth smaller than in 1957 and, except for 1955, the smallest since 1945. The Government support level for the 1958 crop is 50.8 cents per pound--6 percent higher than for 1957.

In the February 24 referendum, the vote of Maryland tobacco growers fell slightly short of the two-thirds majority required by law to continue marketing quotas, thus, no quotas or allotments are in effect on the 1959 crop. According to March 1 planting intentions, 1959 acreage of Maryland tobacco will be 12 percent larger than in 1958. Since a quota is not in effect, Government price support will not be available on the 1959 crop when it is marketed in the spring and summer of 1960. By law, another referendum will be held by early 1960 in which Maryland growers will vote with respect to quotas on their 1960, 1961 and 1962 crops.

According to farmers' intentions on March 1, the 1959 acreages of fire-cured and dark air-cured tobaccos will be up 19 and 17 percent from last year's harvested acreage; with average yields, larger crops than last year's can be expected. The carryovers of both fire- and dark air-cured by next October 1 will be down considerably. However, the 1959-60 total supply of fire-cured and of dark air-cured might decline only a little from 1958-59 because of prospective increased production.

The intended 1959 acreage of continental filler types is 7 percent above 1958 harvested acreages. Pennsylvania growers overwhelmingly rejected a marketing quota as they did in all previous referendums for this type. The intended 1959 acreage of cigar binder types in the Connecticut Valley is up 19 percent from last year's very small harvested acreage. A large proportion of Connecticut Valley cigar binder acreage last year was placed in the acreage reserve of the Soil Bank--a part of the program now terminated. The March 1 planting intentions of Wisconsin cigar binder tobacco growers indicated about an 8 percent increase over last year's harvested acreage. The prospective acreage of the combined cigar wrapper types is 5 percent larger than 1958 harvested acreage--with most of the increase in Georgia-Florida.

Prices received for the 1958 crops of flue-cured, burley, dark air-and sun-cured and one type of fire-cured averaged higher than in any previous season. Prices of two fire-cured types and of most cigar filler and binder types were above 1957, though exceeded in some earlier years.

The kinds of tobacco under marketing quotas, except fire-cured, dark air-cured and sun-cured, are supported by law at 90 percent of their parity prices. Price supports for these excepted types are set at fixed percentages of the burley support level, but they cannot be set higher than their 1957 supports unless 90 percent of their own parities exceeds the 1957 support levels.

Legislation proposed in Congress will, if enacted, affect tobacco price support determinations. If the proposal becomes law, support levels for 1959 crops of flue-cured, burley and other kinds of tobacco will not exceed the 1958 support levels.

On January 30, the U. S. Department of Agriculture announced a change in the method of computing the parity for Connecticut Valley binder types 51-52. This change will result in a sizable reduction in the 1959 price support for these types from levels of recent years. The revised parity and consequent lower support price should help Connecticut Valley growers compete for a share of the market for leaf to be used in processed binder sheet.

#### TOBACCO PRODUCTS

##### Cigarettes

Cigarette output in 1959 is expected to reach a new high, though the percentage gain over 1958 probably will not be as large as the gain from 1957 to 1958. Filter tip cigarettes appear likely to further broaden their share of the market; but on the basis of annual figures the rate of gain for filter tips slowed appreciably from the particularly sharp percentage increases in the years 1954 to 1957.

Cigarette output in 1958 topped the previous high of 1957 by a substantial margin. A total of 470 billion cigarettes were manufactured--28 billion more than in 1957. The percentage rise from 1957 to 1958 was over 6 percent, somewhat greater than the  $4\frac{1}{2}$  percent increase estimated before the end of the year.

In the last half of 1958, and particularly in the closing months of the year, cigarette consumption by U. S. smokers was running at a high level. Commercial exports of cigarettes in 1958 were the highest in 9 years but exports accounted for less than 4 percent of output. Cigarette consumption by U. S. smokers--including those in the Armed Forces--scored a greater gain from 1957 to 1958 than in any other 2-year period in peacetime. There were larger increases during World War II and from 1950 to 1951--the early period of the Korean War.

Increases in cigarette consumption were general and widespread geographically throughout the United States. This is indicated by the data available on cigarette tax collections by 43 States and the District of Columbia. Total U. S. population 15 years and over has been increasing about 1,600,000 yearly or 1.3 percent. According to Census estimates, the increase in the age group 15-19 accounted for about 600,000 of the total increase from 1957 to 1958, compared with about a 400,000 increase from 1956 to 1957. To some extent, it is likely that the recent sharper increase in numbers of teenagers has contributed to greater cigarette consumption. A second contributing factor is the probably increasing percentage of the women smoking. Thirdly, a sizable number of cigarette smokers who switch to filter tip cigarettes smoke more per day than formerly when they smoked nonfilter tip cigarettes.

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption 1/	Shipments to		
			Overseas forces and other 2/	Puerto Rico and other 3/	Exports
			Billions	Billions	Billions
			Billions	Billions	Billions
Average:					
1935-39	: 164.2	157.0	.9	.8	5.5
1940-44	: 256.9	223.5	26.5	1.0	5.8
1945	: 332.2	267.2	56.9	1.2	6.9
1946	: 350.0	321.7	5.0	1.6	24.1
1947	: 369.7	335.4	10.4	1.1	22.8
1948	: 386.8	348.5	12.8	1.7	25.2
1949	: 385.0	351.8	12.0	1.7	19.5
1950	: 392.0	360.2	15.6	1.9	14.3
1951	: 418.8	379.7	20.1	2.0	16.8
1952	: 435.5	394.1	21.7	1.9	16.4
1953	: 423.1	386.8	18.8	2.0	16.2
1954	: 401.8	368.7	15.9	1.8	15.4
1955	: 412.3	382.1	13.2	2.0	15.1
1956	: 424.2	393.2	13.3	2.0	15.7
1957	: 442.3	409.4	13.7	2.1	17.0
1958	: 470.1	436.3	13.4	2.2	18.1
			Fiscal year		
Year ending June					
1954	: 413.6	377.7	18.0	1.9	15.6
1955	: 407.8	375.2	15.5	1.9	15.1
1956	: 416.8	387.1	12.5	2.0	15.3
1957	: 433.9	401.7	14.0	2.0	16.1
1958	: 449.1	416.3	13.3	2.0	17.7
1959 4/	: 475.0	441.0	13.0	2.3	18.5

1/ Tax paid removals including Alaska and Hawaii. 2/ Includes ship stores and other smaller tax free categories. 3/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes: Estimated output of nonfilter tip and filter tip by length, and percentage distribution, 1949-58

Year	Total	Nonfilter tip			Filter tip				
	output	Total	Regular: 70 mm.	Long: 80 mm.	King: 85 mm.	Total	Regular: 70 mm.	Long: 80 mm.	King: 85 mm.
		Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.
1949	: 385.0:	383.7	357.2		26.5:	1.3	1.3		
1950	: 392.0:	389.8	353.3		36.5:	2.2	2.2		
1951	: 418.8:	415.8	364.6		51.2:	3.0	3.0		
1952	: 435.5:	429.9	353.4		76.5:	5.6	5.0		0.6
1953	: 423.1:	410.7	297.0		113.7:	12.4	6.0		6.4
	:	:			:				
1954	: 401.8:	364.9	253.3		111.6:	36.9	6.9		30.0
1955	: 412.3:	335.3	224.5		110.8:	77.0	9.0	6.5	61.5
1956	: 424.2:	307.3	203.9	2.6	100.8:	116.9	7.1	17.9	91.9
1957	: 442.3:	274.0	180.3	5.6	88.1:	168.3	8.0	46.1	114.2
1958 1/	: 470.1:	257.1	167.8	6.9	82.4:	213.0	6.7	52.5	153.8
	:	:			:				
	Percentage distribution								
	:	:			:				
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
	:	:			:				
1949	: 100.0:	99.7	92.8		6.9:	0.3	0.3		
1950	: 100.0:	99.4	90.1		9.3:	.6	.6		
1951	: 100.0:	99.3	87.1		12.2:	.7	.7		
1952	: 100.0:	98.7	81.1		17.6:	1.3	1.2		0.1
1953	: 100.0:	97.1	70.2		26.9:	2.9	1.4		1.5
	:	:			:				
1954	: 100.0:	90.8	63.0		27.8:	9.2	1.7		7.5
1955	: 100.0:	81.3	54.4		26.9:	18.7	2.2	1.6	14.9
1956	: 100.0:	72.4	48.1	0.6	23.7:	27.6	1.7	4.2	21.7
1957	: 100.0:	62.0	40.8	1.3	19.9:	38.0	1.8	10.4	25.8
1958 1/	: 100.0:	54.7	35.7	1.5	17.5:	45.3	1.4	11.2	32.7
	:	:			:				

1/ Preliminary.

Note: Data prior to 1958 are provisional estimates based on material from various unofficial sources.

The trend towards filter tip cigarettes continued in 1958. Table 2 shows estimates of total output in the filter tip and nonfilter tip categories according to overall lengths of the cigarettes. Estimates for the years 1949 through 1957 are approximations based mainly on private estimates and other information from several sources. Beginning with 1958, however, estimates are based on information made directly available by large cigarette companies. The continuation of this arrangement is expected to provide reliable annual figures on the pattern of cigarette output in the years ahead.

Table 3.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average	1956	1957	1958	1958 as percentage of 1957
	1951-55		1/	1/	
	Millions	Millions	Millions	Millions	Percent
Venezuela	1,593	1,953	2,332	2,503	107
Morocco	1,761	1,751	1,938	2,106	109
France	778	777	1,311	1,301	99
Hong Kong	884	863	1,219	1,128	93
Belgium	801	487	639	1,027	161
Singapore 2/	649	687	929	852	92
Netherlands Antilles	671	328	346	730	211
Sweden	692	769	624	579	93
Kuwait	208	358	490	513	105
Italy	355	391	424	462	109
Other countries 3/	7,600	7,350	6,741	6,866	102
Total all countries:	15,992	15,714	16,993	18,067	106

1/ Preliminary. 2/ Includes British Mayala. 3/ Includes approximately 90 to 95 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

The number of cigarettes consumed per person 15 years and over in calendar 1958 rose to a new high of 3,699--about 185 packs per year. This was  $\frac{4}{4}$  percent above 1957 and was 1 percent above the previous record of 1952. The estimated pounds of cigarette tobacco (unstemmed equivalent) consumed per person 15 years and over rose about 3-1/3 percent from 1957 to 1958, but this was still below each year in the 1951-54 period. (See table 4.)

The Federal tax on cigarettes is 8 cents per pack of 20. Under existing law, the 8-cent rate is to revert to 7 cents on July 1. The President in his Budget Message to the Congress recommended that the 8-cent rate be continued until July 1, 1960.

Federal and gross State taxes on cigarettes in calendar 1958 reached a record of about 2,440 million dollars. This was  $7\frac{1}{2}$  percent larger than in 1957. Consumer expenditures on cigarettes in 1958 are estimated at close to 5,700 million dollars; Federal and State cigarette taxes absorbed about 43 percent of the total amount spent at retail for cigarettes in the continental United States.

### Cigars

The 1958 consumption of cigars and cigarilles in the United States and by the Armed Forces overseas was near  $6\frac{1}{2}$  billion--about  $4\frac{1}{2}$  percent above 1957 and the most since 1929. Annual consumption of cigars in 1925-29 averaged 6.9 billion. The roughly 300 million gain between 1957 and 1958 was the

Table 4.- Tobacco products: Consumption per capita, 15 years and over,  
in the United States and by overseas forces, 1920-58

Year	Cigarettes	Cigars	Cigarettes	Cigars	Smoking, chewing, and snuff	Total tobacco products
	1/	1/	2/	1/ 2/	2/	2/
	Number	Number	Pounds	Pounds	Pounds	Pounds
1920	611	117.2	1.89	2.45	4.33	8.67
1921	681	94.0	2.07	2.00	4.14	8.21
1922	707	96.1	2.14	2.16	4.28	8.58
1923	836	96.4	2.51	2.21	4.26	8.98
1924	901	89.0	2.69	2.06	4.06	8.81
1925	996	86.7	2.96	1.99	4.03	8.98
1926	1,093	85.2	3.17	1.99	3.87	9.03
1927	1,174	82.9	3.42	1.93	3.61	8.96
1928	1,255	80.6	3.58	1.91	3.44	8.93
1929	1,381	79.9	3.91	1.86	3.44	9.21
1930	1,365	71.6	3.84	1.67	3.34	8.85
1931	1,287	64.3	3.63	1.53	3.29	8.45
1932	1,147	52.4	3.21	1.24	3.19	7.64
1933	1,230	50.8	3.49	1.23	3.07	7.79
1934	1,368	53.0	3.94	1.29	3.11	8.34
1935	1,442	53.8	4.11	1.30	2.80	8.21
1936	1,618	57.3	4.61	1.40	2.81	8.82
1937	1,704	57.8	4.81	1.40	2.74	8.95
1938	1,687	55.5	4.76	1.31	2.68	8.75
1939	1,754	55.9	4.95	1.32	2.56	8.83
1940	1,824	56.3	5.16	1.36	2.60	9.12
1941	2,065	58.8	5.95	1.42	2.41	9.78
1942	2,393	58.6	7.01	1.41	2.27	10.69
1943	2,745	52.4	7.99	1.28	2.19	11.46
1944	2,831	49.2	8.04	1.22	1.96	11.22
1945	3,222	52.2	9.15	1.26	2.05	12.46
1946	3,230	56.1	9.24	1.37	1.59	12.20
1947	3,202	52.3	9.16	1.29	1.50	11.95
1948	3,292	53.0	9.35	1.31	1.46	12.12
1949	3,274	50.8	9.33	1.16	1.44	11.93
1950	3,320	50.1	9.36	1.18	1.42	11.96
1951	3,527	51.4	9.98	1.19	1.31	12.48
1952	3,661	53.3	10.41	1.26	1.25	12.92
1953	3,558	53.6	10.46	1.26	1.18	12.90
1954	3,339	52.2	9.73	1.22	1.16	12.11
1955	3,387	52.2	9.58	1.20	1.15	11.93
1956	3,436	51.2	9.30	1.11	1.06	11.47
1957	3,531	52.0	9.33	1.11	1.01	11.45
1958 3/	3,699	53.7	9.64	1.10	1.01	11.75

1/ Weighing more than 3 pounds per 1,000 including cigarillos. 2/ Tobacco, unstemmed processing-weight equivalent. 3/ Preliminary.

Note: Data are not available to adjust for quantities lost, destroyed, bartered, etc., under war and postwar conditions but such adjustments probably would be small in relation to totals.

biggest since the years immediately following World War II. A sizable share of those consumed in 1958 were cigarillo-size. In 1957 cigarillos comprised nearly 12 percent of total sales and the proportion may have increased to near 15 percent in 1958. During 1959 consumption of cigars and cigarillos combined is likely to gain further. A continuation of high level personal income is expected--this will be a favorable underlying factor. Ordinarily, cigar consumption tends to be somewhat more responsive to variations in personal incomes than cigarettes.

The volume of cigars sold within three retail price brackets shifted considerably in 1958 compared with recent years. The percentage composition of cigar removals (taxpaid, from domestic and Puerto Rican factories) according to major price brackets has changed as shown below:

Retail price per cigar <u>Cents</u>	1954-56		1958	
	average <u>Percent</u>	1957 <u>Percent</u>	January-June <u>Percent</u>	July-December <u>Percent</u>
4.1- 6.0	40	40	35	37
6.1- 8.0	10	11	18	17
8.1-15.0	42	41	39	38
4.1-15.0	92	92	92	92

Nearly 96 percent of the cigars consumed in the United States are made in domestic factories and Puerto Rico. By far the most of the remaining 4 percent are made entirely from imported tobacco in bonded manufacturing warehouses. About 65 percent of these cigars retail at higher than 15 cents a piece. Imported cigars account for less than half of one percent, Cuba being the main source. Over nine-tenths of the cigars from Cuba retail at above 20 cents apiece.

Cigars consumed per person 15 years and over in 1958 rose to 53.7— $3\frac{1}{4}$  percent higher than in 1957 and the highest since 1946. The estimated pounds of tobacco (unstemmed equivalent) consumed in cigars per person 15 years and over was nearly the same as in the last 3 years despite the increase in units. This mainly reflects (1) the increased proportion of cigarillos that require less tobacco per unit than cigars and (2) the decline in quantities of unstemmed binder tobacco utilized, as processed sheet binders became more widely used.

During the last 3 years, all of the large cigar manufacturing companies and most of the smaller ones have converted a substantial proportion of their brands to the use of processed binders. There are indications that by the end of 1959, brands representing around four-fifths of total cigar consumption probably will have converted to the use of processed binders.

In the final quarter of 1958, there was a dramatic rise in the output and taxpaid removals of small cigars—that is cigarette-size, and weighing not more than 3 pounds per 1,000. Small cigars are not included with large cigars in most reporting, though cigarillos are. Small cigars are tabulated and reported separately by the Internal Revenue Service; a particular tax rate

Table 5.-Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories		Bonded manufac-	Imports for consump-	From Puerto Rico:	Tax- paid with- drawals	Total tax-paid consump-
	Total Tax-paid output	removals	Tax-free removals	warehouse	consumption	paid	consumption
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
<b>Average:</b>							
1935-39	5,075	5,060	13	66	192.4	3.0	27.4
1940-44	5,450	5,282	199	105	93.7	15.3	11.6
1945	5,275	4,774	469	82	60.0	59.8	59.8
1946	5,618	5,621	26	125	22.2	20.1	77.8
1947	5,488	5,460	41	124	12.5	9.1	6.2
1948	5,645	5,588	38	140	11.8	10.3	5.0
1949	5,453	5,399	46	142	10.9	10.2	4.6
1950	5,399	5,365	47	160	11.9	11.1	.7
1951	5,594	5,518	85	177	14.3	13.0	.7
1952	5,825	5,755	102	196	14.6	12.5	1.9
1953	5,915	5,820	90	205	16.8	13.4	9.9
1954	5,820	5,690	89	206	16.3	12.3	49.5
1955	5,776	5,688	82	227	20.3	14.7	84.3
1956	5,767	5,633	72	230	22.8	18.4	93.2
1957	5,897	5,761	76	238	26.0	20.0	123.7
1958 3/	6,210	6,020	87	240	27.8	22.4	137.2
	<b>Fiscal year</b>						
<b>Year ending June:</b>							
1954	5,849	5,736	101	199	16.2	12.6	30.0
1955	5,787	5,704	82	222	18.2	14.3	66.4
1956	5,806	5,672	74	231	20.9	14.9	92.8
1957	5,779	5,652	74	234	23.7	18.5	100.8
1958	5,952	5,838	80	238	26.3	21.0	133.8
1959 4/	6,350	6,200	90	242	29.5	23.0	140.0

1/ Weighing over 3 pounds per 1,000 and including cigarillos. 2/ Predominant share of cigar imports prior to World War II came from the Philippine Islands. 3/ Subject to revision. 4/ Preliminary estimate.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

applies to small cigars since their weight is not more than 3 pounds per 1,000. Cigars weighing more than 3 pounds per 1,000 are taxed according to intended retail price.

The striking rise in output of small cigars is illustrated by the following comparisons:

<u>1946-50</u>	<u>1951-55</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>
<u>annual</u>	<u>annual</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
average	average	1956	1957	1958
<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
83	63	64	49	170

<u>1958</u>				<u>1959</u>
<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Month of</u>
<u>quarter</u>	<u>quarter</u>	<u>quarter</u>	<u>quarter</u>	<u>January</u>
<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
13	12	15	130	81

Several additional new brands of small cigars have been announced thus far in 1959. Retail price of small cigars vary somewhat. Some announced retail prices of new brands are 35, 30 and 25 cents per pack of 20. New brands use processed tobacco sheet as a wrapper.

If the output of small cigars should be maintained at the rate reached in late 1958 and early 1959, this calendar year's output may range between 600 and 900 million. This would far exceed any previous year's output of small cigars as far back as 1922, when it was 633 million. Annual output of small cigars was over a billion a year during several years before World War I.

### Smoking Tobacco

The 1958 output of smoking tobacco for pipes and "roll-your-own" cigarettes was 76 million pounds—8 percent higher than in 1957 and the first increase in 9 years. But 1958 output was still 30 percent below that of a decade ago. Most of the 1958 gain occurred in the first half of the year, when the recession reached its lowest point. Production in the first 6 months was 13 percent above that a year earlier, in the last half 3 percent higher than a year earlier. In January-June 1958, taxpaid cigarette papers, which probably account for around half of those used for hand-rolled cigarettes, were 38 percent above the same period in 1957, but in July-December they ran even with a year earlier. A further appreciable increase in smoking tobacco in 1959 does not appear likely in view of the generally favorable outlook for consumer incomes.

Wholesale prices of smoking tobacco remained steady throughout 1958, according to Bureau of Labor Statistics data, but in late January this year, major manufacturers announced increases averaging about 8 percent on pocket-size packages.

Table 6.--Output of manufactured tobacco in the United States for specified periods

Period	Chewing							Snuff
	Smoking	Plug	Twist	Fine-cut	Scrap	Total		
		Million pounds						
Average:								
1935-39	:	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	:	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	:	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	:	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	:	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	:	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	:	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	:	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	:	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	:	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	:	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	:	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	:	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	:	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	:	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958 1/	:	76.0	29.6	3.8	2.9	33.0	69.3	34.8
Year ending:								
June								
1954	:	83.1	37.6	4.7	2.9	37.5	82.7	39.0
1955	:	85.0	36.5	4.8	3.0	36.5	80.8	39.0
1956	:	74.0	34.0	4.3	2.9	36.1	77.3	38.4
1957	:	68.9	32.3	4.1	2.8	34.3	73.5	36.5
1958	:	75.0	30.2	3.9	2.8	33.3	70.2	34.8
1959 2/	:	78.0	29.3	3.8	2.9	32.7	68.7	34.6

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.

Domestic consumption absorbs most of smoking tobacco we produce. Our exports of packaged smoking tobacco in 1958 totaled 677,000 pounds, valued at \$930,000. Volume was 12 percent larger than in 1957 and its declared value was up 24 percent. Nearly a third of the total went to Canada, and the rest to numerous other destinations.

Most exports of manufactured tobacco in bulk form are not included in the Internal Revenue Service output figures for smoking tobacco. This export category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco and shredded tobacco. The 1958 exports of manufactured tobacco in bulk form totaled 6.9 million pounds. This was  $2\frac{1}{2}$  million pounds, or 56 percent, more than in 1957, and the largest on record. The declared value of these exports in 1958 was \$6,046,000--67 percent greater than in 1957. Spain was the leading destination in 1958, increasing takings by more than a fourth. Other major markets were Panama, Switzerland, Australia, Dominican Republic, Mexico and Haiti. All of these destinations received substantially more in 1958 than in 1957.

### Chewing Tobacco

Output of chewing tobacco in 1958 was 69-1/3 million pounds--about 3 million less than in 1957 and a new long-time low. The downtrend is likely to continue in 1959 and the years ahead.

Output of scrap chewing (accounting for 48 percent of all chewing tobacco) declined 3 percent from 1957 and 13 percent from 5 years earlier. Plug chewing (accounting for 43 percent of all chewing tobacco) fell 6 percent from 1957 and dropped 22 percent from 5 years earlier. Smaller categories of chewing tobacco are twist and fine-cut, which made up the remaining 9 percent of the 1958 total. Output of twist declined 5 percent, and was about a fifth lower than 5 years earlier. Production of fine-cut increased slightly over 1957, and has changed but little in the last 5 years.

Manufacturers' prices of plug chewing tobacco held steady from March 1958 until January 1959, according to Bureau of Labor Statistics data. However, in late January, major manufacturers announced price increases for some chewing tobaccos.

Only a small fraction of the output of chewing tobacco is exported--mainly twist and plug. Exports in 1958 totaled 1,291,000 pounds--12 percent below 1957 and the smallest in many years. The declared value of 1958 exports was \$1,162,000--8 percent below 1957. Australia, accounting for over three-fifths of the total volume exported, took 13 percent less than in 1957. The Philippine Republic, accounting for about a sixth of the total, reduced takings by 21 percent. Exports to the French Pacific Islands were up by 7 percent.

### Snuff

The 1958 output of snuff was 34.8 million pounds--4 percent less than in 1957 and the smallest since 1921. This marks the third successive decline

Table 7.- Selected tobacco products: Consumption per capita, 15 years and over, in the United States and by overseas forces, 1920-58

(manufactured weight)

Year	Smoking	Chewing	Snuff
	Pounds	Pounds	Pounds
1920	1.94	3.07	.50
1921	1.98	2.70	.48
1922	2.20	2.80	.51
1923	2.03	2.80	.51
1924	2.13	2.59	.50
1925	2.09	2.57	.47
1926	2.03	2.51	.47
1927	1.91	2.34	.49
1928	1.82	2.23	.48
1929	1.80	2.13	.47
1930	1.87	1.90	.46
1931	2.05	1.65	.45
1932	2.12	1.33	.41
1933	2.10	1.24	.40
1934	2.07	1.23	.41
1935	2.05	1.22	.39
1936	2.04	1.21	.41
1937	1.95	1.19	.39
1938	2.05	1.09	.39
1939	2.05	1.03	.39
1940	2.04	1.00	.38
1941	1.93	1.03	.39
1942	1.67	1.10	.40
1943	1.49	1.11	.42
1944	1.36	1.18	.40
1945	1.59	1.09	.41
1946	.99	1.03	.37
1947	.96	.90	.37
1948	.98	.86	.38
1949	.97	.80	.37
1950	.94	.78	.36
1951	.88	.76	.35
1952	.83	.74	.34
1953	.75	.72	.34
1954	.71	.69	.33
1955	.67	.67	.34
1956	.60	.63	.32
1957	.58	.60	.30
1958 1/	.62	.57	.29

1/ Preliminary.

of 4 percent in annual output from the previous year's level. Snuff production was relatively stable in the years 1946-55, mostly fluctuating within 1 million pounds of the 10-year average of  $39\frac{1}{2}$  million. Practically all snuff output is consumed in this country.

Most of the 1.3 million pound drop in 1958 production occurred in the first and second quarters. Output in the third quarter was only slightly below 1957, and in the final quarter it ran a little ahead. Production in 1959 may stay fairly close to last year's level.

According to the Bureau of Labor Statistics price index, wholesale prices of snuff through January 1959 remained unchanged since mid-1957.

#### EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

In calendar year 1958, exports of unmanufactured tobacco totaled 482 million pounds (export weight)—4 percent less than in 1957 and 6 percent less than in 1956. The declared value of exports in 1958 was 354 million dollars—1 percent lower than the record figure in 1957. In the 10 years, 1948-57, exports averaged 484 million pounds. During this period, exports in 6 years were larger than in 1958, and in the other 4 years, smaller.

Sales of tobacco for foreign currencies under Public Law 480 have contributed significantly to the level of exports in recent years. Shipped under the programs in 1958 and earlier years were the following:

<u>Year</u>	<u>Million pounds</u>	<u>Percentage of total unmanufactured tobacco exports</u>
1955	43.8	8.1
1956	71.0	13.9
1957	35.6	7.1
1958	37.2	7.7

Under existing authorizations, about 45 million pounds of tobacco remain to be shipped in 1959, more than half of which is scheduled in the first 6 months. Additional agreements that will include tobacco are being negotiated.

Sales for foreign currencies of tobacco and other agricultural commodities are made under Title I of the Agricultural Trade Development and Assistance Act, which also provides that such sales must be in addition to normal sales for dollars. The President has recommended that the Title I authorization be extended for 1 year beyond its present expiration date of December 31, 1959. Recommended also was a  $1\frac{1}{2}$  billion dollar increase in authority. This would permit continuation of programming at the current rate.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 8.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

Country and type	(Declared weight)						July-January 1958-59 as percentage of 1957-58
	Average 1951-55	1956	1957 1/	1958 1/	1957-58 1/	1958-59 1/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	
Flue-cured	405.6	420.4	417.7	398.7	288.4	300.4	104
Burley	27.7	29.2	20.5	28.8	9.5	16.0	168
Maryland	7.8	12.1	13.5	11.9	8.1	7.5	93
Va. fire-cured and sun-cured	4.5	4.4	5.3	4.6	3.5	2.9	83
Ky. and Tenn. fire-cured	22.6	24.2	22.0	19.7	11.1	10.1	91
Green River	2.0	1.3	1.6	1.2	1.0	.5	50
One Sucker	1.7	2.4	2.6	.9	1.3	.6	46
Black Fat, etc.	4.4	4.6	4.5	4.9	3.0	3.0	100
Cigar wrapper	3.6	3.9	4.5	4.7	2.5	2.5	100
Cigar binder	2.4	3.1	3.9	2.0	3.7	1.0	27
Cigar filler	.5	.8	.1	.6	.1	.5	500
Perique	.1	.1	.1	.1	2/	.1	---
Stems, trimmings, and scrap	3.3	3.9	4.7	4.2	2.9	3.1	107
Total	486.2	510.4	501.0	482.3	335.1	348.2	104
Country of destination:							
United Kingdom	158.3	156.4	166.5	160.4	141.8	138.8	98
France	8.4	6.4	7.5	8.1	2.7	3.7	137
Belgium	19.1	21.8	16.3	14.5	9.9	9.9	100
Netherlands	33.5	33.0	31.7	22.8	21.3	13.4	63
Germany, W. and E.	60.4	70.0	68.9	81.7	33.7	45.8	136
Portugal	6.4	7.9	5.8	7.1	1.9	3.0	158
Denmark	10.5	12.5	14.0	12.0	9.4	8.5	90
Ireland	15.7	8.8	9.8	13.5	6.3	11.1	176
Switzerland	11.5	13.8	14.2	10.4	8.9	6.5	73
Norway	7.4	8.5	7.4	7.2	3.8	4.5	118
Sweden	11.8	14.4	14.8	11.9	12.0	8.2	68
Italy	3.8	6.6	4.8	7.2	.1	8.3	---
Hong Kong	4.0	3.7	3.2	2.8	1.7	1.7	100
Australia	26.2	23.2	38.2	26.3	29.7	25.2	85
India	2.9	1.6	4.3	3.0	3.7	1.2	32
Pakistan	1.9	2.7	2.9	.3	0	2/	---
New Zealand	6.5	7.1	6.3	6.3	4.2	4.0	95
Philippine Rep.	20.2	2.3	.1	5.0	2/	4.5	---
Indonesia	11.8	17.8	11.5	1.7	5.9	.8	14
Japan	8.6	5.8	3.6	11.2	3.2	10.4	325
Other countries	57.3	86.1	69.2	68.9	34.9	38.7	111
Total	486.2	510.4	501.0	482.3	335.1	348.2	104

1/ Preliminary.

2/ Less than 50,000 lbs.

Table 9.--Tobacco: Exports under P.L. 480 programs and totals, by countries, 1955-58

Country	(Export weight)											
	1955 exports			1956 exports			1957 exports			1958 exports		
	P.L. 480	Regu- lar	Total	P.L. 480	Regu- lar	Total	P.L. 480	Regu- lar	Total	P.L. 480	Regu- lar	Total
:	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Austria	0.7	5.1	5.8	4.9	4.1	9.0	0.3	1.4	1.7	1.5	3.3	4.8
Brazil	0	.1	.1	.1	0	.1	0	0	0	.1	0	.1
Burma	0	0	0	.6	0	.6	1.4	0	1.4	.4	0	.4
Chile	0	.1	.1	.2	0	.2	.1	0	.1	0	.4	.4
Colombia <u>1/</u>	0	.5	.5	0	.7	.7	0	.4	.4	.5	.4	.9
Ecuador <u>2/</u>	0	2/	2/	.3	0	.3	.1	.1	.2	.1	.2	.3
Finland	3.9	1.4	5.3	5.4	1.0	6.4	2.1	2.1	4.2	4.4	.9	5.3
France	.9	7.0	7.9	0	6.4	6.4	3.1	4.4	7.5	6.8	1.3	8.1
Iceland <u>3/</u>	0	.5	.5	0	.6	.6	.4	0	.4	.4	.2	.6
India	0	2.9	2.9	0	1.7	1.7	1.1	3.2	4.3	3.0	0	3.0
Indonesia	0	9.9	9.9	13.6	4.2	17.8	10.0	1.5	11.5	.5	1.2	1.7
Israel	.3	.2	.5	.3	.1	.4	4/	.5	.5	.2	.1	.3
Italy	3.6	.9	4.5	3.3	3.3	6.6	4.4	.4	4.8	3.8	3.4	7.2
Japan	6.6	10.9	17.5	3.2	2.6	5.8	0	3.6	3.6	0	11.2	11.2
Korea	0	0	0	6.1	0	6.1	2.4	.1	2.5	0	0	0
Pakistan	1.6	1.0	2.6	2.4	.3	2.7	1.7	1.2	2.9	0	.3	.3
Spain <u>2/</u>	1.2	4.9	6.1	4.9	.9	5.8	2.5	.3	2.8	6.4	1.0	7.4
Taiwan	0	2.2	2.2	1.5	2.2	3.7	.5	1.6	2.1	2.0	.7	2.7
Thailand	2.6	6.0	8.6	0	8.8	8.8	2.4	10.5	12.9	.4	8.8	9.2
United Kingdom	22.4	161.5	183.9	24.2	132.2	156.4	3.2	163.3	166.5	3.1	157.3	160.4
Viet Nam <u>5/</u>	0	4.4	4.4	0	8.0	8.0	0	5.4	5.4	3.7	1.1	4.8
Total, above countries <u>6/</u>	43.8	219.5	263.3	71.0	177.1	248.1	35.7	200.0	235.7	37.2	191.8	229.1
Total, all countries <u>7/</u>		540.3			510.4			501.0				482.3
:												

1/ Mainly tobacco in cigarettes.2/ Includes manufactured tobacco in bulk form.3/ Includes cigarettes and manufactured tobacco in bulk form.4/ Less than 50,000 pounds.5/ Prior to January 1, 1958, Viet Nam-Laos-Cambodia.6/ Computed from unrounded data.7/ Unmanufactured tobacco.

In 1958 flue-cured made up 83 percent of total unmanufactured exports, and burley and fire-cured, 6 and 5 percent, respectively. Last year's flue-cured exports were 5 percent below those in 1957. Countries taking significantly more in 1958 than a year earlier were West Germany, Ireland, Japan, Spain, Austria, Finland, France, Egypt and Taiwan. Some destinations that took less than in 1957 included the United Kingdom, Australia, Netherlands, Belgium, Denmark, Norway, Thailand, Viet Nam and Indonesia.

Burley exports in 1958 jumped 40 percent, mainly attributable to larger takings by Sweden, Italy, Portugal and Mexico. Maryland tobacco exports were about an eighth smaller than in 1957, but substantially above the 1951-55 average. Exports of Kentucky-Tennessee fire-cured and those of Virginia fire-cured each declined about a tenth from 1957 levels. Moderately more Black Fat was exported, but less Green River and One Sucker. Exports of shade-grown wrapper and cigar filler increased, but those of cigar binder dropped sharply.

The United Kingdom, as usual, the leading foreign market for U. S. tobacco, accounted for a third of the total exports, but her takings from this country were 4 percent smaller than in 1957. Germany, second ranking export outlet, accounted for a sixth of total exports and took 19 percent more than in 1957. German takings were the largest since 1950. Australia, ranking third, received 31 percent less than the record quantity taken in 1957, while exports to The Netherlands, ranking fourth, dropped by 28 percent. Exports to Belgium, ranking fifth, were 11 percent smaller than in 1957 and a fourth below the 1951-55 average. Among other major countries of destination, Japan, Philippine Republic and Italy received particularly marked increases in 1958, but substantially less was exported to Indonesia.

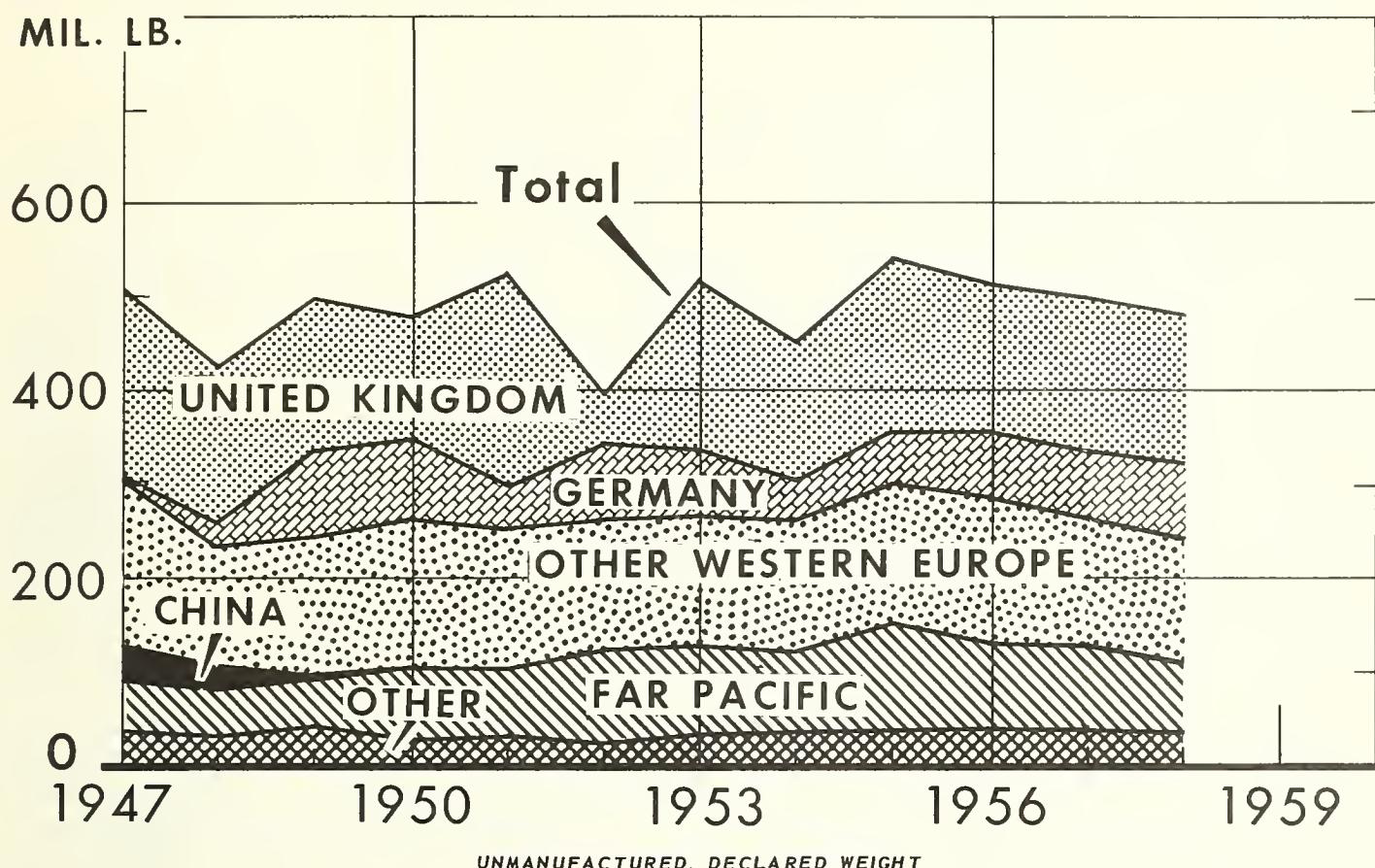
Tobacco exports in 1959 may approach the 1958 level. General economic conditions continue to favor U. S. tobacco exports. Cigarette consumption is increasing in most countries. Gold and dollar reserves held by foreign countries are at a new peak. The external currency convertibility established by 11 Western European countries last December reflects the considerable improvement in their financial position made by most. At the end of February 1959, centrally held gold and dollar reserves of the United Kingdom at about \$3.2 billion were nearly a fourth above a year earlier. U. S. general imports—principal source of dollars to foreigners—remained high in 1958, and were only 1 percent below the record figure of 1957. On the other hand, larger production abroad means U. S. tobacco faces increased competition in world markets.

#### Major Foreign Countries Exporting Tobacco

Among foreign countries that export a substantial volume of tobacco, the Federation of Rhodesia and Nyasaland, Canada and India are major exporters of flue-cured. Greece and Turkey are the principal exporters of oriental tobacco.

The current flue-cured crop of Rhodesia-Nyasaland is expected to be 182 million pounds—a sixth more than obtained in 1958 and a record high.

# EXPORT MARKETS FOR U. S. TOBACCO



U. S. DEPARTMENT OF AGRICULTURE

NEG. 4953-59 (3) AGRICULTURAL MARKETING SERVICE

Exports of unmanufactured tobacco at 482 million pounds (equivalent to 540 million, farm-sales weight) were about 4 percent lower than in 1957 but almost equal to the 1948-57 average. British takings were down about 4 percent but German takings were 18 percent larger than in 1957. Leaf exports to "other Western Europe" fell off mainly because of smaller

shipments to Netherlands, Belgium, Sweden and Switzerland.

Exports of tobacco to Far Pacific countries fell off by almost one fifth. Australian takings dropped from the unusual high of 1957 and Indonesian takings were far less than usual.

Ireland, France, Italy, Spain, Portugal, Austria and Japan increased their takings from 1957 to 1958.

Auctions for the Southern Rhodesian crop just harvested began in mid-March. Last year about 153 million pounds of Rhodesian tobacco were sold at auction, at an average price equivalent to 42.6 U. S. cents per pound. The United Kingdom bought 78 million pounds; in 1957 purchases were  $81\frac{1}{2}$  million pounds. Australia bought approximately 11 million pounds in 1958,  $1\frac{1}{2}$  million more than in 1957.

In 1958 the Federation of Rhodesia and Nyasaland exported 143 million pounds of tobacco, about 4 million more than in the previous year. About 80 percent of the total consisted of flue-cured, and the bulk of the remainder, dark fire-cured. The predominant share of the Federation's exports go to the United Kingdom, which took over half of the 1958 total. Other Commonwealth destinations, mainly Australia, Union of South Africa, Sierra Leone, Nigeria and Hong Kong together accounted for about an eighth. Major markets in West Europe were The Netherlands, Germany and Denmark, which took more than a year earlier, and Belgium and Norway, which took less.

Canada's 1958 total tobacco crop may approximate 185 million pounds, possibly 170 million flue-cured. Around 95 percent of all Canadian flue-cured is produced in Ontario. Sales of Ontario flue-cured through March 13 totaled 115 million pounds, averaging the equivalent of about 51 U. S. cents per pound. In the 1957-58 season, about 148 million pounds of Ontario flue-cured were sold, averaging the equivalent of 52.3 cents per pound.

During 1958, Canada exported about  $29\frac{1}{2}$  million pounds of tobacco,  $9\frac{1}{4}$  percent of which was flue-cured. Nearly three-fourths of the total was consigned to the United Kingdom, and approximately an eighth to other Commonwealth destinations. West European countries taking appreciable quantities of Canadian tobacco were Germany and The Netherlands, with lesser quantities going to Portugal, Denmark and Belgium.

India's flue-cured crop for harvest in 1959 is placed at 139 million pounds--over a fourth larger than obtained in 1958. Exports of Indian flue-cured in the first 10 months of 1958,  $85\frac{1}{2}$  million pounds, exceeded those of the full year 1957 by 30 percent. The United Kingdom continued as the principal market, accounting for nearly half of the total. Other major markets during this period were China, Soviet Union, Hong Kong and The Netherlands.

In Greece, the Government has cut the 1959 tobacco acreage about a fifth below 1958 because of a substantial surplus of tobacco. The 1958 crop is estimated at 178 million pounds, and considerable quantities still remain to be exported from the record 1957 crop of 234 million pounds. Tobacco exports in 1958 are placed at 136 million pounds--second only to the record 152 million pounds shipped in 1957. West Germany accounted for more than three-tenths of the total, and the U. S., for more than a fifth. Other important outlets in 1958 were Soviet Union, France, Italy, Austria, Belgium and Egypt.

Tobacco production in Turkey in 1958 is now estimated at 234 million pounds, 11 percent smaller than the 1957 crop and slightly below the average

in the preceding 5 years. Exports in the first 11 months of 1958, 128 million pounds, were a fifth below those a year earlier. Major markets taking less were U. S., East Germany, Poland and France; those taking more than a year earlier were West Germany, Czechoslovakia and Soviet Union.

### British Tobacco Situation

The United Kingdom is the world's leading tobacco importer and the largest single foreign market for U. S. tobacco. Tobacco is imported into the United Kingdom both for home consumption and for export, largely as manufactured cigarettes.

Imports of tobacco into the United Kingdom totaled 316 million pounds in 1958--a little less than in each of the 2 preceding years. About 93 percent of the total--the same proportion as in 1957--consisted of flue-cured, of which approximately three-fourths entered in unstemmed form and the other one-fourth already stemmed. The United States furnished about  $164\frac{1}{2}$  million pounds of unmanufactured tobacco--2 percent less than in 1957. Imports from the United States accounted for 52 percent of total receipts, compared with 53 percent in 1957. In the past 5 years, this proportion has ranged between 50 and 53 percent.

Last year, tobacco imports into the United Kingdom from Rhodesia-Nyasaland and Canada declined 7 percent and 9 percent, respectively, but those from India increased by a fourth to the largest since 1950. (See table 10.) The three Commonwealth areas provided 45 percent of total 1958 imports, compared with 44 percent in the previous year.

The quantities of imported flue-cured by principal source were U. S., 162 million pounds; Rhodesia and Nyasaland,  $65\frac{1}{2}$  million; India,  $41\frac{3}{4}$  million and Canada,  $22\frac{1}{4}$  million. Most of the flue-cured coming from the United States and Canada was unstemmed, while the major part from India and more than two-fifths of that from Rhodesia was stemmed. In recent years, an increasing share of the flue-cured from Rhodesia was stemmed before being imported. Average value of unstemmed flue-cured imports in 1958 exclusive of duty, were as follows (expressed in U. S. cents per pound): U. S., 80.3; Rhodesia-Nyasaland, 78.4; Canada, 70.1 and India, 44.5. Average values ranged from 2 to  $4\frac{1}{2}$  percent higher than in 1957 for all except Indian flue-cured, which was up by 12 percent. Britain's import duties on tobacco are exceedingly high--equivalent to about \$8.56 per pound on leaf from non-Commonwealth sources and to about \$8.35 per pound on leaf from Commonwealth sources.

Gross clearances of tobacco from bond in the United Kingdom are an approximate measure of home use and exports combined. The 1958 gross clearances at 311 million pounds were 7 million higher than in 1957 and, except for 1946, larger than any previous year. Indications are that gross clearances of U. S. flue-cured increased  $3\frac{1}{4}$  percent. Gross clearances of Rhodesian and Indian flue-cured gained about 4 percent, but those from Canada declined by 6 percent. Flue-cured from these three Commonwealth sources accounted for about 47 percent of total clearances, the same proportion as in 1957. Gross clearances of oriental and air- and sun-cured tobacco were 3 and 10 percent, respectively, smaller than in the previous year, while those of dark fire-cured were little changed.

Table 10.--Unmanufactured tobacco imports into the United Kingdom from major sources, average 1947-49, annual 1950-58

Period	United States	Rhodesia							
		and Nyasa-land	India	Canada	Turkey	Greece	Other	Total	
		Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1947-49		175.9	52.3	28.0	16.0	10.2	5.5	4.6	292.5
1950		143.7	78.5	48.1	15.8	10.8	1.0	7.9	305.8
1951		212.0	66.5	40.1	21.6	3.2	1.3	10.2	354.9
1952		66.8	70.2	38.3	32.7	.6	1.2	13.9	223.7
1953		174.2	68.2	31.4	24.1	2.4	.8	14.7	315.8
1954		159.7	76.8	36.2	24.9	2.8	1.4	10.7	312.5
1955		178.6	72.1	36.4	40.0	3.1	1.5	12.0	343.7
1956		160.3	84.4	40.0	21.7	2.6	1.4	8.0	318.4
1957		168.3	79.9	35.6	25.6	2.5	1.1	5.9	318.9
1958 <u>1/</u>		164.4	74.6	44.7	23.4	1.0	.5	7.9	316.5
		Percentage change							
Average 1947-49		Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
to 1958		-6.5	42.6	59.6	46.2	-90.2	-90.9	71.7	8.2
1957 to 1958		-2.3	-6.6	25.6	-8.6	-60.0	-54.5	33.9	-0.8
		Percentage distribution							
Average 1947-49		Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
		60.1	17.9	9.5	5.5	3.5	1.9	1.6	100.0
1950		47.0	25.7	15.7	5.2	3.5	.3	2.6	100.0
1951		59.7	18.7	11.3	6.1	.9	.4	2.9	100.0
1952		29.9	31.4	17.1	14.6	.3	.5	6.2	100.0
1953		55.2	21.6	9.9	7.6	.8	.3	4.6	100.0
1954		51.1	24.6	11.6	8.0	.9	.4	3.4	100.0
1955		52.0	21.0	10.6	11.6	.9	.4	3.5	100.0
1956		50.4	26.5	12.6	6.8	.8	.4	2.5	100.0
1957		52.8	25.0	11.2	8.1	.8	.3	1.8	100.0
1958		51.9	23.6	14.1	7.4	.3	.2	2.5	100.0

1/ Preliminary.

Table 11.--United Kingdom tobacco: Imports, stocks clearances, and exports for specified periods

Period	Imports <u>1/</u>			Gross clearances from bond <u>3/</u>			Exports: Re-exports of manu-:of unmanu-factured: factured tobacco: tobacco		
	From Common-wealth	Stocks	Dec. 31:	Non-prefer-ential	Prefer-ential	Total			
	U. S. 2/ countries	Total		2/	2/				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	532	169	135	304	41	3
1958 <u>4/</u>	164	145	316	534	173	138	311	41	2

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been about 3 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals for manufactures for home use and export.

4/ Subject to revision.

Approximately four-fifths of gross clearances from bond is designated as going for home consumption. British home consumption of tobacco in 1958 totaled 246 million pounds--1 percent above 1957 and 7 percent above the 1952-56 average. Indications are that consumers spent 6 percent more for tobacco products in 1958 than in 1957, when tobacco expenditures were the equivalent of about \$2 $\frac{3}{4}$  billion. About seven-eighths of tobacco expenditures are for cigarettes. Consumption of filter-tip cigarettes is gaining in the United Kingdom. Filter-tips accounted for 10 to 12 percent of 1958 cigarette sales, compared with 6 to 7 percent in 1957, and only about 3 percent in 1956. Most of the filter-tip brands are of regular size; king-size filter-tips comprise only 1 to 2 percent of total British consumption.

Exports of manufactured products from the United Kingdom in 1958 at 41 million pounds were equal to those in 1957 but were 3-4 million pounds less than in the previous 2 years. Shipments of cigarettes, which made up more than five-sixths of the total, declined 3 percent; exports of other manufactured tobacco products increased by an eighth. Principal Commonwealth destinations for cigarette exports were Singapore, Malaya, Aden, Hong Kong, Persian Gulf Establishments and Cyprus. Major non-Commonwealth markets for British cigarettes were West Germany, France, Sudan and Arabian States.

Stocks of unmanufactured tobacco in the United Kingdom totaled 534 million pounds on December 31, 1958--2 million more than a year earlier. Between 1952 and 1957, year-end holdings increased over 100 million pounds. December 31, 1958 stocks represented 20.6 months' use, compared with a ratio of 21.0 at the end of 1957. At the close of 1952, holdings represented about 18 $\frac{1}{2}$  months' use.

More detailed data available for stocks as of November 30, 1958 indicate holdings of U. S. flue-cured at 283 million pounds--1 percent more than a year earlier. On the same date, stocks of Rhodesian and Canadian tobacco were 108 million and 28 million pounds, a decrease of 5 percent and 16 percent, respectively, from a year earlier. Holdings of Indian flue-cured, 64 million pounds, were up by 8 percent. Stocks of dark fire-cured and air-and sun-cured were a little larger than on November 30, 1957, but holdings of oriental declined moderately.

#### UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

Tobacco is imported into the U. S. primarily for blending with domestic types in cigarette and cigar manufacture. Approximately a tenth of the tobacco used in U. S. factories comes from abroad. On an unstemmed-weight basis, our imports are about 8 percent of the tobacco used in cigarettes and about 28 percent of that used in cigars.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 12.--United States imports for consumption of unmanufactured tobacco,  
from principal supplying countries, for specific periods

Classification and country of origin	(Declared weight)						July-January 1958-59 as per- centage of 1957-58
	Average 1951-55	1956	1957	1958	1957-58	1958-59	
			1/	1/	1/	1/	
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Pct.
	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	<u>lb.</u>	
Cigarette leaf							
Unstemmed:							
Turkey	55.7	61.5	60.0	65.1	35.2	41.3	117
Greece	14.9	18.9	23.3	28.5	14.5	17.7	122
Syria	3.3	1.6	1.2	1.1	.4	.5	125
Italy	1.3	1.8	1.5	1.7	1.2	.9	75
Cyprus, etc.	.2	.5	.5	1.2	.3	.6	200
Yugoslavia	1.6	2.9	3.5	4.0	1.9	3.1	163
Total 2/	79.7	88.0	91.2	104.7	55.1	65.4	119
Cigar leaf (filler)							
Cuba:							
Stemmed	9.7	9.2	8.8	9.0	5.4	5.8	107
Unstemmed	4.4	3.8	3.0	3.1	2.0	2.1	105
Philippines, Rep.:							
Stemmed	.1	.4	.2	.3	.1	.2	200
Unstemmed	.2	.5	0	.1	0	.1	---
Total 2/	14.9	13.7	12.2	12.7	7.6	8.3	109
Scrap:							
Cuba	8.4	11.3	12.3	13.8	7.4	9.3	126
Philippines, Rep.	1.5	5.6	6.1	5.5	3.8	5.6	147
Total 2/	9.9	17.1	18.4	19.5	11.3	15.0	133
Cigar wrapper (unst.):							
Indonesia	.6	.1	.1	.1	.1	3/	---
Cuba	.4	.6	.6	.5	.3	.4	133
Total 2/	1.0	.7	.7	.6	.4	.4	100
Stems 4/							
Cuba	.2	.8	1.2	.6	.6	.5	83
United Kingdom	.5	.5	.4	.3	.2	.3	150
Total 2/	.7	1.4	1.6	1.1	.8	.9	112
Total imports	106.2	120.9	124.1	138.6	75.2	90.0	120

1/ Preliminary. 2/ Includes relatively small quantities from other countries not separately listed. 3/ Less than 50,000 pounds. 4/ Not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 13.-Marketing quota referendums, by kinds of tobacco

Kind	Date	Crops covered	Last referendum			Next referendum 2/		
			Number voting	Percentage voting in favor of quota 1/	Approximate date	Crops covered	Approximate date	Crops covered
Flue-cured (11-14)	Dec. 15, 1958	1959-61	176,607	95.4	Not later than end of 1961	1962-64		
Burley (31)	Feb. 24, 1959	1959-61	190,453	98.7	Not later than end of Feb. 1962	1962-64		
Maryland (32)	Feb. 24, 1959	1959-61	5,021	64.2	Not later than end of Feb. 1960	1960-62		
Fire-cured (21-23)	Feb. 18, 1958	1958-60	8,821	96.0	Not later than end of Feb. 1961	1961-63		
Dark air-cured (35-36)	Feb. 18, 1958	1958-60	8,381	96.6	Not later than end of Feb. 1961	1961-63		
Va. sun-cured (37)	Feb. 24, 1959	1959-61	1,128	97.9	Not later than end of Feb. 1961	1961-63		
Pa. filler (41)	Feb. 24, 1959	1959-61	2,382	7.9	Not later than end of Feb. 1962	1962-64		
Cigar binder (51-52)	Feb. 13, 1957	1957-59	1,862	98.0	Not later than end of Feb. 1960	1960-62		
Cigar-filler and binder (42-44, 53-55)	Feb. 13, 1957	1957-59	3,944	94.1	Not later than end of Feb. 1960	1960-62		

1/ A two-thirds majority of farmers voting is required to place marketing quotas in effect.

2/ Under existing legislation.

3/ Unless at least a fourth of the growers petition the Secretary prior to this time.

U. S. imports of foreign grown tobacco in 1958 were at a new record level of 139 million pounds, valued at \$107 million. Volume was up about 12 percent from 1957, and the total value was up 11 percent. Cigarette leaf comprised three-fourths of total imports; most of the rest was for use in cigars.

Imports of cigarette leaf at 105 million pounds were 15 percent above 1957. Receipts from Turkey and Greece were larger than a year earlier by  $8\frac{1}{2}$  percent and 22 percent, respectively. The average value per pound of cigarette leaf imported from Turkey increased 1 percent to 71 cents; that of leaf from Greece declined  $5\frac{1}{2}$  percent to 82 cents. The average value of all imported cigarette leaf was about  $73\frac{1}{2}$  cents a pound, slightly less than in 1957.

On January 1, 1959 stocks of foreign grown cigarette and smoking tobacco in the U. S. totaled 207 million pounds--down 4 percent from a year earlier when they exceeded any previous January 1 holdings.

The quantity of stemmed and unstemmed cigar filler imported in 1958 was up 4 percent from 1957. The scrap category is also used mainly as cigar filler. Scrap from Cuba increased by about an eighth, but from the Philippines it dropped by a tenth. An unusually large quantity of Philippine tobacco designated as scrap was imported in January of this year. Cigar wrapper imports in 1958 were down, attributable to lower receipts from Cuba.

The January 1, 1959 stocks of Cuban tobacco in this country--20.7 million pounds--were 24 percent larger than a year earlier, and the largest for that date in 10 years. Stocks of Philippine tobacco, 12.9 million pounds, were up more than 50 percent from January 1, 1958 to a record level. Stocks of Indonesian tobacco have dwindled to an insignificant figure, only 28,000 pounds on January 1.

#### OUTLOOK AND SITUATION FOR TOBACCO LEAF

##### Flue-Cured, Types 11-14

###### Prices

The season average price received by growers for their 1958 flue-cured crop was 58.2 cents per pound--5 percent higher than for the 1957 crop, the previous record high. The 1958 price averages in the Old and Middle Belts exceeded 1957 by about 9 and  $7\frac{1}{2}$  percent, respectively, and in the Eastern Belt, by 5 percent. In the Border Belt, the 1958 price average barely topped the high 1957 level, and in the Georgia-Florida Belt, the increase amounted to about 2 percent.

The Government support level for the 1958 crop was 54.6 cents per pound--7 percent above a year earlier and above any previous year's support level. The 1958 price support represented 90 percent of the flue-cured parity price

as of July 1, 1958. For purposes of illustration, the parity price <sup>3/</sup> for flue-cured based on data for February 1959 is calculated as follows:

1. The season average price for flue-cured for the most recent 10 years (1949-58) is divided by the 1949-58 average index (1910-14=100) of all prices received by farmers. This calculation provides an adjusted base price.

$$\text{Flue-cured price, average 1949-58} \quad 52.8 \quad \text{adjusted} \\ \text{Index of prices received, average 1949-58} \quad \frac{256}{256} = 20.7 \text{ cents base} \\ \text{price}$$

2. The adjusted base price is multiplied by the February 1959 parity index (1910-14=100)--that is, the Index of Prices Paid by Farmers Including Interest, Taxes and Wage Rates.

$$\begin{array}{rcl} \text{Adjusted base price} & 20.7 \text{ cents} \\ \text{February parity index} & \times 297 \\ \text{Flue-cured parity price} & 61.5 \text{ cents per pound} \end{array}$$

During the year, the parity price will differ from month to month if changes occur in the parity index (index of prices paid).

From time to time, revisions are made in the basic indexes used in making parity calculation. Unless index weights are changed periodically, they cease to be representative of amounts currently bought and sold and the indexes become unrepresentative. A major revision in the "Index of Prices Paid by Farmers Including Interest, Taxes and Wage Rates (the Parity Index)" was announced on January 30, 1959. Also announced were revisions in the "Index of Prices Received by Farmers." The revisions in these indexes had the net effect of reducing parity prices about 3 percent below what they would otherwise have been in early 1959. Even so, the computed parity price for flue-cured in February 1959 at 61.5 cents per pound was eight tenths of a cent above last July 1--the date for determining the 90 percent support level for the 1958 crop.

Legislation has been proposed in Congress that, if enacted, will affect tobacco price support determinations. If the proposal becomes law, the support level for 1959 flue-cured crop will not exceed the 1958 support level.

Flue-cured tobacco placed under Government loan in the 1958 season totaled 145 million pounds--over an eighth of the crop. In the past 5 seasons, placements under Government loan totaled 1,002 million pounds, of which about 661 million pounds (farm-sales-weight equivalent) remained in Government loan stocks as of the end of February 1959. Recently, the last of the 1954 crop holdings were sold.

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<sup>3/</sup> Parity prices are published near the end of each month in the USDA publication, Agricultural Prices. Legally, the parity price for any month is the parity price calculated in the preceding month. For example, parity prices for use during March 1959 are legally the published parity prices based on data for February 1959.

**Table 14.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods**

Year					Disappearance 1/			Average price per pound
	Production		Stocks, July 1	Supply	Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
Average:								
1934-38 ....	741	845	1,586	704	338	366	22.9	
1941-45 ....	902	1,349	2,251	992	617	375	38.5	
:								
1946 .....	1,352	1,147	2,499	1,212	659	553	48.3	
1947 .....	1,317	1,287	2,604	1,054	695	359	41.2	
1948 .....	1,090	1,550	2,640	1,102	720	382	49.6	
1949 .....	1,115	1,538	2,653	1,168	729	439	47.2	
1950 .....	1,257	1,485	2,742	1,185	757	428	54.7	
:								
1951 .....	1,453	1,557	3,010	1,279	777	502	52.4	
1952 .....	1,365	1,731	3,096	1,244	828	416	50.3	
1953 .....	1,272	1,852	3,124	1,209	778	431	52.8	
1954 .....	1,314	1,915	3,229	1,173	744	429	52.7	
1955 .....	1,483	2,056	3,539	1,281	728	553	52.7	
1956 .....	1,423	2,258	3,681	1,170	705	465	51.5	
1957 .....	975	2,511	3,486	1,178	736	442	55.4	
1958 .....	1,078	2,308	3,386				58.2	
:								
			Placed under Government loan:			Remaining in Government loan stocks on Feb. 28, 1959 4/		
	Parity price 3/	Price support level	Quantity	Percentage of crop				
	Ct.	Ct.	Mil. lb.	Pct.				
1946 .....	35.7	32.1	66.5	4.9				0
1947 .....	44.4	40.0	232.3	17.6				0
1948 .....	48.8	43.9	106.1	9.7				0
1949 .....	47.2	42.5	103.5	9.3				0
1950 .....	50.0	45.0	77.6	6.2				0
:								
1951 .....	56.3	50.7	142.2	9.8				0
1952 .....	56.2	50.6	5/165.0	12.1				0
1953 .....	53.2	47.9	151.4	11.9				0
1954 .....	53.2	47.9	130.3	9.9				0
1955 .....	53.7	48.3	298.9	20.2				221.2
1956 .....	54.3	48.9	319.9	22.5				205.6
1957 .....	56.5	50.8	107.8	11.1				88.8
1958 .....	60.7	54.6	145.2	13.5				145.2
Total ....	--	--	2,046.6	--				6,660.8

1/ Year beginning July 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953. 6/ Roughly 12 to 15 million pounds included in this total have been sold.

Supplies

The 1958-59 total supply of flue-cured tobacco at 3,386 million pounds is 3 percent below 1957-58 and 8 percent below the record 1956-57 level.

According to farmers' intentions on March 1, 698,300 acres of flue-cured will be grown in 1959 about 9 percent more than in 1958 when it was the second smallest in 40 years. Acreage allotments have held near last year's level, but much of the tobacco acreage placed in the Soil Bank acreage reserve last year is likely to be back in tobacco this year. If 1959 yields per acre should be the same as the 1957-58 average, this year's production would total over 1,100 million pounds--2 percent above 1958. Last year flue-cured yields per acre were particularly high. In every flue-cured producing State, they were at a record level and averaged nearly 13 percent above the previous high of 1955. The record yields were achieved despite the discontinuance of the high yielding varieties heavily discounted in the support program because of certain unacceptable characteristics.

Carryover of flue-cured on July 1, 1959 is estimated at about 2,190 million pounds--5 percent lower than last July 1. Assuming this year's crop at about 1,100 million pounds, total supply for 1959-60 would approximate 3,290 million pounds--nearly 3 percent less than for the current year and down 11 percent from the record level of 1956-57.

Domestic Use and Exports

During the current marketing year (July 1958-June 1959), the domestic use of flue-cured appears likely to be near 755 million pounds--about  $2\frac{1}{2}$  percent more than in 1957-58 and the largest in 5 years. The domestic use of flue-cured appears to have reversed its downward trend but the percentage increase will probably not be as great as that for cigarette output from 1957-58 to 1958-59.

Exports of flue-cured in 1958-59 (the year ending June 30) now appear likely to total fairly close to 440 million pounds (farm-sales weight)--only slightly different from those of 1957-58. During the first 7 months of the current marketing year, flue-cured exports were 4 percent larger than in the comparable period of 1957-58. Exporters' declarations indicated that value per pound of unstemmed flue-cured shipped during July 1958-January 1959 was practically the same as in the corresponding period of 1957-58. The volume exported to the United Kingdom, accounting for 45 percent of the total, was down 3 percent. West Germany, the second ranking importer, took 61 percent more in the first 7 months of 1958-59 than in the comparable period of 1957-58 but shipments to Australia, the third ranking outlet, were down 18 percent from the very high level a year earlier. Among other important countries taking sizable quantities of flue-cured, Ireland, Japan, Finland, Viet Nam, Egypt, Taiwan and Mexico showed substantial percentage increases in their flue-cured takings in July 1958-January 1959 compared with the same months a year earlier. Belgium took moderately more but shipments

to The Netherlands dipped sharply. Considerable quantities went to the Philippine Republic, Italy and Austria in contrast to none recorded as going to these countries during the comparable period of 1957-58. There were also increases to France and Norway but sharp drops to Sweden, Thailand and Indonesia. Flue-cured takings by Denmark, New Zealand, Portugal, Switzerland and India also were somewhat lower than in the same 7 months of the year earlier.

### Burley, Type 31

#### Prices

The 1958 burley crop sold for the highest prices on record. The average price received by growers was 66.2 cents per pound--almost 10 percent higher than the 1957 crop average and 4 percent higher than the previous record price, received for the 1956 crop. Markets opened on November 24, earliest opening date on record, and final sales were held on February 6. More than four-fifths of the crop was sold before the shutdown of the auctions for the holidays. Volume sold was down 6 percent from the previous year, and the smallest since sales of the 1943 crop.

Produced during an abnormally wet growing season, the crop was lighter-bodied than that sold in the 1957 season. Prices of most grades exceeded previous record levels. Leaf grades were up by 1 to 13 cents a pound; tips and nondescript, generally from 4 to 16 cents; and lugs and flyings, from 2 to 12 cents.

The Government support level for the 1958 crop was 55.4 cents a pound--7 percent above 1957 and higher than any previous year. Growers placed around 11 million pounds of burley under loan during the 1958 season. This was equal to about  $2\frac{1}{2}$  percent of estimated producers' sales. In the last 3 seasons, only small percentages of burley production have gone under Government loan, in contrast to the 1946-55 period when the proportion ranged from a low of 7 percent to a high of 33 percent.

The 1958 Government support price represented 90 percent of the burley parity price as of October 1, 1958. The February 1959 parity for burley is calculated in the same manner as flue-cured (as illustrated on page 30). The burley parity based on February 1959 data is 63.6 cents--2 cents above October 1, 1958, the date for determining the 90 percent support for the 1958 crop. Legislation proposed in Congress, if enacted, will affect tobacco price support determinations. If the proposal becomes law, the support level for the 1959 burley crop will not exceed the 1958 support level.

#### Supplies

The 1958-59 total supply of burley is estimated at 1,750 million pounds--2 percent below 1957-58. Both production and carryover stocks were down from last year's levels. Supplies of burley have gradually declined in the last few years; the 1958-59 total is 6 percent less than the 1954-55 peak.

MARCH 1959

**Table 15.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods  
(Farm-sales weight)**

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures; includes approximately 12½ million pounds of 1951-54 crops in CCC inventories.

\*Indicated by sales data.

In a referendum held on February 24, an overwhelming majority of the burley growers voting approved marketing quotas for the 1959, 1960 and 1961 crops.

Based on farmers' intentions as of March 1, 304,400 acres of burley will be grown in 1959--1 percent more than in 1958. Acreage allotments in 1959 are mostly the same as last year. If yields per acre should equal the 1956-58 average, the 1959 crop may approximate 490 million pounds--about 5 percent more than the volume marketed last season.

The carryover of burley next October 1 probably will be near 1,240 million pounds--45 million less than last October. Such carryover plus this year's indicated crop will provide a total 1959-60 supply approximating 1,730 million pounds--1 percent less than that for the current season.

#### Domestic Use and Exports

During the current marketing year (October 1958-September 1959), domestic use of burley may not differ markedly from the 474 million pounds of 1957-58. A further rise is expected in cigarette output, but as in the past marketing year, this may not be accompanied by a corresponding increase in burley use. Not much change is expected in smoking tobacco output this year, but output of plug chewing is likely to continue to decline. Smoking tobacco and plug are secondary outlets for burley.

In the first third of the current marketing year (October 1958-January 1959), burley exports jumped 63 percent over the relatively low figure in the corresponding portion of last season. Leading outlets in the recent period were Sweden, Germany, Mexico and Italy. These countries together accounted for nearly two-thirds of total burley exports. Sweden took 37 percent more than in October 1957-January 1958, while Italy took approximately 1.2 million pounds in contrast to none in the like period a year earlier. Exports of Mexico increased by nearly a tenth, but those to Germany were down by about a fourth. Denmark and Norway took more burley than a year ago, but less went to The Netherlands and Switzerland. Finland and France took significant quantities in contrast to none in the comparable months in 1957-58.

Maryland, Type 32 4/

#### Prices

Maryland tobacco auctions for the 1958 crop are scheduled to open on April 28 and to close after sales on July 17. Sales will also be held at the Baltimore hogshead market, where approximately a tenth of the crop is marketed. The support price for the 1958 crop is 50.8 cents a pound--6 percent more than for the 1957 crop.

<sup>4/</sup> For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

The average price for the 1957 crop (marketed mostly in 1958) was 45.2 cents--13 percent less than for the preceding crop. About 15 percent of the 1957 crop was placed under Government loan.

Slightly more than a third of Maryland tobacco growers, voting in a referendum held February 24, voted against marketing quotas and thus ruled out the quota and acreage allotment limitations on this year's crop. Of the total number voting, 64.2 percent favored the quotas, but this falls short of the two-thirds majority required by law to place marketing quotas in effect. Since a marketing quota is not in effect on the 1959 crop, Government price support will not be available when marketing occurs in the spring and summer of 1960. Another referendum will be held next year, in which Maryland growers will vote on quotas for their 1960, 1961 and 1962 crops.

#### Supplies

The 1958 crop of Maryland is estimated at 33.2 million pounds--over an eighth less than the 1957 crop, and except for 1955 the smallest in many years. Carryover on January 1, 1959 was close to 71 million pounds. Total supply--production plus carryover--is 104 million pounds. This is 4 percent less than for 1957-58 and 7 percent below the peak level of 4 years ago.

The Maryland crop of 1959 will be the first since 1955 to be produced without marketing quotas and acreage allotments. According to farmers' intentions as of March 1, 38,000 acres will be grown this year--12 percent more than in 1958. If yields per acre should be near the 1954-58 average (excluding the unusually low 1955 figure), this year's crop may be around 36 million pounds--8 percent larger than the 1958 estimated outturn. Carryover next January 1 appears likely to be down some, but this will probably be largely offset by the increase in production. Consequently, total supplies in 1959-60 may be only a little less than the current level.

#### Domestic Use and Exports

Domestic use of Maryland tobacco in the 1957-58 marketing year at 25-1/3 million pounds was more than a sixth above the unusually low 1956-57 figure, although still below previous postwar years. Domestic cigarette manufacture is the largest single outlet for this type, but use of Maryland has failed to keep pace with expanding cigarette output. Another domestic outlet for Maryland is use as filler in cigars, which utilizes certain lower-priced grades.

Exports of Maryland tobacco account for a substantial part of the crop--from 20 to 40 percent in the last 5 years. In the first third of the current marketing year (October 1958-January 1959), exports totaled 4.8 million pounds (farm-sales weight)--up 3 percent from a year earlier. Switzerland, accounting for over half of the total, took 21 percent less. Germany, usually a major outlet, took nearly a fourth less. On the other hand, Portugal took approximately 689,000 pounds, more than in the preceding full marketing year. Larger exports than in October 1957-January 1958 also went to The Netherlands, Belgium and France. None was yet reported going to Austria, Tunisia and Spain, which in 1957-58 took significant quantities.

Table 16.--Maryland tobacco, type 32: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Stocks		Disappearance 2/			Average	
	Production	following Jan. 1 1/	Supply	Total	Domestic	Exports	price
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	per pound
Average:							Ct.
1934-38 .....	27.5	38.4	65.9	26.5	21.1	5.4	19.7
1941-45 .....	29.4	44.1	71.5	29.7	27.1	2.6	48.9
:							
1946 .....	46.2	32.4	78.6	34.0	28.3	5.7	44.5
1947 .....	37.8	44.9	82.7	34.3	27.0	7.3	42.8
1948 .....	35.0	46.9	81.9	37.0	27.7	9.3	54.4
1949 .....	41.2	45.5	86.7	35.4	28.0	7.4	48.3
1950 .....	40.0	53.4	93.4	35.5	27.1	8.4	48.2
:							
1951 .....	41.6	59.3	100.9	33.3	26.7	6.6	44.8
1952 .....	40.2	64.9	105.1	40.3	32.5	7.8	48.8
1953 .....	40.5	65.4	105.9	36.4	28.4	8.0	54.5
1954 .....	43.8	68.6	112.4	36.1	27.9	8.2	40.3
1955 .....	31.5	77.5	109.0	38.6	25.7	12.9	50.8
:							
1956 .....	36.5	69.7	106.2	34.9	21.4	13.5	51.7
1957 .....	38.5	69.4	107.9	37.0	25.3	11.7	45.2
1958 .....	33.2	70.9	104.1				
:							
			Placed under Government loan:			Remaining in	
	Parity	Price				Government loan	
	price 4/	support	Quantity	Percentage		stocks on	
		level		of crop		Feb. 28, 1959 5/	
	Ct.	Ct.	Mil. lb.	Pct.		Mil. lb.	
:							
1946 .....	30.0	27.0	0	---		0	
1947 .....	36.2	32.6	0	---		0	
1948 .....	48.8	43.9	3.0	8.6		0	
1949 .....	46.5	41.8	2.6	6.3		0	
1950 .....	56.5	48.6	5.5	13.8		0	
:							
1951 .....	60.6	Price supports not in effect		6/			
1952 .....	58.5	do.		6/			
1953 .....	56.0	50.4	6.7	18.1		4.5	
1954 .....	53.5	Price supports not in effect		6/			
1955 .....	53.1	do.		6/			
1956 .....	52.2	47.0	3.3	9.0		0	
1957 .....	53.3	48.0	5.9	15.3		5.0	
1958 .....	56.4	50.8			Auctions scheduled to begin April 28, close July 17.		
Total ....:	—	—	27.0	—		9.5	

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30. 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed or October 1. 5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ No support since marketing quota was not approved by two-thirds of growers voting.

## Fire-Cured, Types 21-23

Prices

Auctions for Virginia fire-cured (type 21) began in early December and final regular sales were held in the first week in February. Volume sold was 9 percent larger than the record low for the previous year, and more tobacco of lower quality was sold. Roughly a tenth of the volume sold was from acreage classified as sun-cured at the time allotments were issued, but later re-classified as fire-cured. The auction average was 36.9 cents per pound--5 percent less than in 1957 and 7 percent less than the 1956 record price. In the 1951 season, the crop sold for 39.1 cents at auctions, but averaged 34.2 cents in the following 4 years.

Auction sales for Kentucky-Tennessee fire-cured started in the third week of January, about 10 days later than in 1958. Sales were completed in late February for Western District (type 23) and in the first third of March for Eastern District (type 22). The average price of type 22 auction sales was 37.4 cents a pound--5 percent above 1958 and 4 percent above 1957. Sales volume was down more than a fifth and was the smallest on record; quality of offerings was a little better than a year earlier. The type 23 auction average was 36.7 cents--6 percent more than in 1957 and above all previous years. Sales volume of this type was down 5 percent to a record low; quality of offerings was improved from that of a year earlier.

The Government support price for the 1958 crop of fire-cured was 38.8 cents--the same as in 1957. During the season just ended, growers of Virginia fire-cured placed 2.2 million pounds under loan--twice the quantity delivered for loans in 1957. Loan placements were equal to 23 percent of the crop, largest proportion of the crop placed for loan since 1948. In 1957, 12 percent of the crop went under loan. Growers of Kentucky-Tennessee fire-cured, type 22, placed about 4.1 million pounds--16 percent of marketings--under loan. This was substantially below placements a year ago--both in quantity and percentage. Loan deliveries of type 23 dropped to only 390,000 pounds--5 percent of marketings. Last year, 2 million pounds--nearly a fourth of the crop--went under loan.

Government price support will again be in effect on the 1959 crop. Supports for Virginia fire-cured (type 21) and Kentucky-Tennessee fire-cured (types 22-23) are based on 75 percent of the burley support, but they cannot go above their 1957 support level unless 90 percent of their own parities exceeds those levels. The 1957 support level of 38.8 cents exceeds 90 percent of the Virginia fire-cured parity applicable to March 1959 by 1.1 cents; the 1957 support is higher than 90 percent of the Kentucky-Tennessee fire-cured parity applicable to March 1959 by 1.4 cents. Price supports for 1959 fire-cured will likely be the same as the 1957 level, which was also the support level for the 1958 crop.

Table 17.--Fire-cured tobacco, types 21-23<sup>1/</sup>: Domestic supplies, disappearance, season average price, and price support operations for specified periods  
(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 2/			Average price per pound
				Total	Domestic	Exports	
				Mil. lb.	Mil. lb.	Mil. lb.	
Average:							Ct.
1934-38 .....	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1941-45 .....	66.1	170.7	236.8	81.9	49.6	38.3	22.1
:							
1946 .....	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947 .....	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948 .....	73.2	162.6	235.8	77.9	34.7	43.2	31.9
1949 .....	72.2	157.9	230.1	65.2	36.5	28.7	29.8
1950 .....	58.3	164.9	223.2	76.0	36.7	39.3	31.2
:							
1951 .....	59.5	147.2	206.7	59.8	32.2	27.6	40.0
1952 .....	58.2	146.9	205.1	58.8	29.6	29.2	37.6
1953 .....	48.9	146.3	195.2	61.2	32.9	28.3	33.8
1954 .....	62.2	134.0	196.2	59.1	29.9	29.2	37.8
1955 .....	65.2	137.1	202.3	64.6	31.2	33.4	37.3
:							
1956 .....	70.6	137.7	208.3	62.7	32.4	30.3	36.6
1957 .....	50.5	145.6	196.1	62.9	33.7	29.2	36.8
1958 3/ .....	*43.0	133.2	176.2				37.9
:							
	Parity	Price support	Placed under Government loan:	Remaining in Government loan			
	price 4/	level 5/	Quantity	Percentage of crop	Government loan stocks on Feb. 28, 1959 6/		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
:							
1946 .....	17.8	25.2	40.8	37.5	0		
1947 .....	21.5	30.2	31.3	36.2	0		
1948 .....	22.6	31.8	27.3	37.3	0		
1949 .....	21.5	30.2	18.7	25.9	0		
1950 .....	30.3	34.3	12.2	20.9	0		
:							
1951 .....	33.6	37.4	7.5	12.6	1.0		
1952 .....	34.8	37.1	10.9	18.7	.1		
1953 .....	34.4	35.0	8.2	16.8	.3		
1954 .....	34.8	34.8	6.9	11.1	4.3		
1955 .....	35.8	34.6	9.7	14.9	7.1		
1956 .....	36.2	36.1	20.4	28.9	16.9		
1957 .....	38.8	38.8	14.9	29.5	12.8		
1958 .....	7/	5/38.8	6.6	15.3	6.6		
Total ....	—	---	215.4	---	49.1		

1/ Type 24 included until early 1950's when it became practically nonexistent.  
 2/ Year beginning October 1. 3/ Subject to revision. 4/ As of applicable date when support level was computed. 5/ Set at 75 percent of burley support, but from 1958 on, not to exceed 1957 level unless 90 percent of fire-cured parities exceeds such level. 6/ Actual loan stocks on a packed-weight basis average somewhat less than these farm-sales weight figures. 7/ Parities for fire-cured types separated; they are 41.8 cents, Virginia type 21; 41.2 cents, Kentucky-Tennessee types 22-23.  
 \*Indicated by sales data.

Supplies

The 1958-59 total supply of fire-cured tobacco, 176 million pounds, is down 10 percent to a record low. Both production and carryover stocks were appreciably smaller than in the previous year.

According to farmers' intentions on March 1, about 37,600 acres of fire-cured will be grown in 1958--19 percent more than in 1957. Acreage allotments are mostly the same as last year's, but much of the substantial acreage placed in the Soil Bank acreage reserve, now discontinued, was returned to production. If yields per acre are near the averages of recent years (adjusted for trend), this year's crop may approximate 54 million pounds--about a fourth more than the volume marketed last season.

Carryover of fire-cured next October 1 may fall to 114 million pounds--14 percent less than last October 1 and lowest since 1946. These stocks, together with the indicated 1959 crop, would provide a total 1959-60 supply of about 168 million pounds--5 percent less than for the current year.

Domestic Use and Exports

Domestic use of fire-cured in the current marketing year (October 1958-September 1959) may approach last season's  $33\frac{3}{4}$  million pounds. Manufacture of snuff--the principal domestic outlet for fire-cured--is expected to hold near last year's level.

Exports of fire-cured in 1959-60 may also approximate last season's total. In the first third of the current marketing year (October 1958-January 1959), exports of Virginia fire-cured were 3 percent lower than a year earlier. Consignments to Norway, usually the leading outlet, were only a fifth of those in the comparable 1957-58 period, and less Virginia fire-cured than a year earlier went to Germany. On the other hand, more Virginia fire-cured was exported to Sweden, United Kingdom and Switzerland. Significant quantities went to Australia and Netherlands, in contrast to none in the like period of 1957-58. Exports of Kentucky-Tennessee fire cured were slightly larger than in October 1957-January 1958. The Netherlands, accounting for nearly two-fifths of the total, took 12 percent less than a year ago. Belgian takings were less than half of those in the corresponding period of 1957-58, and Swiss takings were down some. On the other hand, larger exports than a year earlier went to Sweden, Germany and Denmark. Substantial quantities were exported to Egypt, Portugal and Viet Nam, which received little or none in October 1957-January 1958. None was yet reported going to Belgian Congo or Indonesia. These destinations took considerable Kentucky-Tennessee fire-cured in the 1957-58 marketing year.

## Dark Air-Cured and Sun-Cured, Types 35-37

Prices

Auctions for One Sucker (type 35), Green River (type 36) and Virginia sun-cured (type 37) began during the first third of December and were concluded by early February. For each of the three types, volume sold was either the smallest or among the smallest ever recorded, while average prices were at record highs. The auction market average price for type 35 was 38.9 cents--5 percent above a year earlier and a fifth above the 1952-56 average. Volume was the smallest since sales of the 1936 crop; overall quality of offerings was little changed from last year. The auction average of 36.5 cents for type 36 was 6 percent above the previous year and a fourth above the 1952-56 average. Sales volume fell more than a fifth; general quality was lower than that of the 1957 crop. The average price of Virginia sun-cured was 36.8 cents--8 percent above a year earlier and 3 percent higher than the previous record price in 1956. Sales volume dropped by a third, but quality of offerings was better than in the previous year. Only 12 percent of the Virginia sun-cured volume was sold on the fire-cured markets, far less than in past years. However, comparability with statistics for previous years is affected by the combining of 1958 allotments of Virginia fire-cured and sun-cured into a single allotment on farms growing both types. As a result of this procedure, approved by growers in a special referendum last September, substantial acreage initially allotted as sun-cured was re-classified as fire-cured.

The Government support level for the 1958 crop of dark air-cured and sun-cured was 34.5 cents--the same as in 1957. In the season just ended, growers of One Sucker placed only 412,000 pounds under loan-- $3\frac{1}{2}$  percent of market deliveries. This was the lowest quantity and proportion on record. In the 1957 season, 2.1 million pounds--about 15 percent of market deliveries--went under loan. Loan placements of type 36 were also a record low--only 110,000 pounds, equal to about  $2\frac{1}{2}$  percent of market deliveries. Last season, 926,000 pounds--about 16 percent of market deliveries--were placed under loan. Loan placements of Virginia sun-cured were even below the usual small amounts, dropping to a negligible figure.

Government price support will again be available for the 1959 crops of dark air- and sun-cured. Price support is mandatory when marketing quotas are in effect. In a referendum held February 24, growers of Virginia sun-cured (type 37) by overwhelming majority approved marketing quotas for their 1959, 1960 and 1961 crops. Growers of dark air-cured (types 35-36) approved marketing quotas for their 1958-60 crops in a referendum held early last year.

The support for dark air- and sun-cured is based on 66-2/3 percent of the burley support level, but cannot go above their 1957 support unless 90 percent of their own parities exceeds that level. At the time that supports were established for the 1958 crops of dark air- and sun-cured, 90 percent of their respective parities was less than the 1957 support level. Consequently, the 1957 level became the support level for the 1958 crops. The 1957 support level

Table 18.--Dark air-cured and sun-cured tobacco, types 35-37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Produc-	Stocks,	Supply	Disappearance 1/			Average
	tion	Oct. 1	: Supply	Total	Domestic	Exports	price
Average:	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	per pound
1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1941-45	37.0	64.4	101.4	39.8	33.9	5.9	20.6
:							
1946 .....	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947 .....	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948 .....	34.8	77.2	112.0	37.5	22.7	14.8	28.7
1949 .....	36.2	74.5	110.7	29.9	23.1	6.8	28.2
1950 .....	28.6	80.8	109.4	36.4	25.6	10.8	24.6
1951 .....	31.7	73.0	104.7	30.1	21.5	8.6	34.3
1952 .....	33.8	74.6	108.4	29.3	22.7	6.6	31.6
1953 .....	26.6	79.1	105.7	29.9	22.8	7.1	25.9
1954 .....	34.1	75.8	109.9	29.1	19.0	10.1	34.1
1955 .....	31.1	80.8	111.9	26.5	20.5	6.0	31.1
1956 .....	33.9	85.4	119.3	36.4	25.2	11.2	34.1
1957 .....	22.5	82.9	105.4	27.4	20.5	6.9	35.9
1958 2/ ....	*18.0	78.0	96.0				38.2
:							
Parity	Placed under Government loan						Remaining in
price 3/	Price						Government loan
Types	support						
35-36: 37	Type level 4/	Quantity		Percentage			stocks on
				of crop			Feb. 28, 1959 5/
:	Ct.	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.	
1946 .....	14.3	19.1	22.4	15.7	31.7	0	
1947 .....	17.2	23.1	26.9	14.5	39.0	0	
1948 .....	18.1	24.2	28.3	8.9	25.6	0	
1949 .....	17.2	23.1	26.9	4.0	11.0	0	
1950 .....	27.2	34.2	30.5	4.1	14.3	0	
1951 .....	29.6	37.5	33.2	7.4	23.3	7/3.3	
1952 .....	30.5	37.7	33.0	6/9.9	29.3	7/2.2	
1953 .....	30.2	35.6	31.1	7.5	28.2	7/1.4	
1954 .....	29.4	34.5	30.9	7.3	22.5	5.6	
1955 .....	30.4	34.1	30.8	6.3	20.0	4.8	
1956 .....	31.0	33.0	32.1	6.7	19.8	5.9	
1957 .....	33.2	35.5	34.5	3.0	13.3	2.6	
1958 .....	36.0	37.5	4/34.5	.5	2.8	.5	
Total ...	—	—	95.8	—	7/26.3		

1/ Year beginning October 1. 2/ Subject to revision. 3/ As of applicable date when support level was computed. 4/ Set at 66-2/3 percent of burley support, but from 1958 on, not to exceed 1957 level unless 90 percent of dark air- and sun-cured parities exceed such level. 5/ Actual loan stocks on a packed-weight basis are less than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but were purchased and shipped by mid-1933. 7/ Includes about 4½ million pounds of 1951-53 tobacco which has been sold.

\* Indicated by sales data.

of  $34\frac{1}{2}$  cents exceeds 90 percent of the dark air-cured parity applicable to March 1959 by 1.4 cents, but tops 90 percent of the sun-cured parity applicable to March 1959 by only three-tenths of a cent. It appears likely that price supports for the 1959 crop of dark air-cured (types 35-36) will be the same as the 1957 level. But there is a possibility that price supports for 1959 Virginia sun-cured (type 37) could go above the 1957 support level, depending on changes in the parity index (prices paid by farmers) in the coming months.

### Supplies

Total 1958-59 supplies of dark air-cured and sun-cured at 96 million pounds is 9 percent below 1957-58 and smallest in 15 years. Decreases in both output and carryover contributed to the reduction in supplies.

According to farmers' intentions on March 1, about 13,600 acres of dark air-cured and 3,100 acres of sun-cured will be grown in 1959. Indicated acreage of dark air-cured is up 7 percent, while that of sun-cured is almost double last year's. Allotments for 1959 are mostly the same as in 1958, but tobacco acreage is increased by the return to production of land that last year was in the acreage reserve phase of the Soil Bank--a program terminated at the end of 1958. If yields per acre are near the average of the recent 3 years, this year's production of dark air-cured and sun-cured would approximate 23 million pounds--5 million more than the volume marketed in the 1958 season.

Carryover next October 1 of the combined dark air- and sun-cured types seems likely to be near 69 million pounds--9 million less than last October and lowest since 1946. This carryover plus the indicated crop would give total 1959-60 supplies of 92 million pounds--4 percent less than for the current year.

### Domestic Use and Exports

In the current marketing year (October 1958-September 1959) domestic use of dark air-cured and sun-cured is not expected to differ markedly from that in 1957-58. The main domestic outlet for these types is the manufacture of plug, and other chewing tobacco; in the first third of the current marketing year, manufacture of these products was 3 percent smaller than a year earlier. Although the decline in chewing tobacco is likely to continue, the level of domestic disappearance will also be affected by quantities going into uses other than chewing tobacco.

Exports of dark air-cured in the current marketing year may be near the 1957-58 total of approximately 7 million pounds (farm-sales weight). Close to 60 percent of dark air-cured tobacco exports last marketing year went out in the form of Black Fat--a semiprocessed form. During the first third of 1958-59, exports of Black Fat were virtually the same as a year earlier. Consignments to Nigeria, leading outlet, and to French West Africa, third ranking outlet, were up a little. Exports to Ghana, second ranking market, were 5 percent smaller than a year ago. Moderately more Black Fat than in October 1957-January 1958 went to Cameroon and Canary Islands. A significant quantity was exported to Liberia, which took none in 1957-58.

In the first third of 1958-59, exports of One Sucker totaled approximately a half-million pounds (farm-sales weight), sharply higher than the relatively small shipments a year earlier. Nearly nine-tenths of the total went to Belgium. Lesser quantities went to Norway and Denmark.

During October 1958-January 1959, exports of Green River were equal to those a year earlier. The United Kingdom, usually the leading outlet, accounted for 85 percent of the total and increased takings substantially over those a year ago. Moderately less went to Belgium. None was reported going to Belgian Congo and Indonesia which took significant quantities in 1957-58.

#### Cigar, Types 41-62

##### Prices

The 1958 Pennsylvania type 41 filler sold at an average of 27.5 cents per pound--7 cents higher than the low 1957 average when the crop was considerably poorer in quality. In a referendum held February 24, growers of Pennsylvania tobacco rejected marketing quotas on their next 3 crops, consequently, no price support can be made available for the 1959 crop.

The Puerto Rican crop planted in late 1957 and harvested in early 1958 also had brought an average price of 27.5 cents. This was about a tenth below the preceding season's average. The support level for the crop planted in late 1958 and to be sold during the first half of 1959 is 31.2 cents per pound--1.3 cents below a year ago and second lowest since 1946.

The relatively small 1958 crop of Connecticut Valley type 51 (Broadleaf) sold at prices fairly near last season's  $50\frac{1}{2}$  cent average. The small Connecticut Valley type 52 (Havana Seed) probably ranged 10 to 15 percent above the 44 cent average of a year earlier. About 400,000 pounds of types 51-52 went under Government loan in the recent marketing season. The support level for 1959 crops will be appreciably lower than in recent years because of the revision in parity price computation for the Connecticut Valley types. (See following section.)

The 1958 crop of Southern Wisconsin (type 54) averaged around 34 cents per pound--about 10 percent higher than for 1957 and probably the third highest on record. In 1945 the average was almost  $37\frac{3}{4}$  cents and in 1946,  $34\frac{3}{4}$  cents. The 1958 crop of Northern Wisconsin (type 55) probably averaged close to 35 cents per pound--the highest on record except for the 1945 and 1946 crops, which averaged more than 45 cents. Price reports for 1958 Wisconsin tobacco distinguished between the purchases for normal use and purchases for probable use in processed sheet. Type 55 binder grade tobacco sold for normal use averaged about a sixth higher than that for processed sheet but the quantity for processed sheet was less than 5 percent of total sales in this grade group. Type 55 tobacco sold for processed sheet from the straight stripped and crop lots had about the same price average as that sold for normal use; the share designated for processed sheet was about 15 percent of the sales of this group. The price of type 55 tobacco sold in the binder group averaged a little lower in 1958 than in 1957, but the price average for type 55 tobacco sold in the

Table 19 --Cigar tobacco types: Government price support levels, 1956-58, and season average prices, 1956-57

Type	1956		1957		1958
	Price support level 1/	Season average price	Price support level 1/	Season average price	Price support level 1/
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	23.4	22.0	23.2	22.8	23.4
Puerto Rican filler, type 46	31.4	30.8	32.5	27.5	31.2
Connecticut Valley Broadleaf binder, type 51	52.5	59.0	53.8	50.0	2/56.2
Connecticut Valley Havana Seed binder, type 52	49.0	42.3	48.8	44.9	48.0
Southern Wisconsin binder, type 54:	22.8	26.1	23.3	31.1	25.5
Northern Wisconsin binder, type 55:	29.6	30.9	29.9	33.5	31.0

1/ For Pennsylvania Havana Seed, type 53: 1956, 23.6 cents; 1957, 23.3 cents; and 1958, 25.5 cents.

2/ Broadleaf (type 51) not supported on a sorted basis; the support level on an unsorted basis was less than 56.2 cents per pound.

Table 20.--Cigar tobacco price support operations, quantities placed under loan, loan, 1946-57, and remaining under loan Feb. 28, 1959

Crop year	Ohio,	Puerto;	Conn.	Conn.	So.	No.	Total
	types 42-44	Rican, type 46	Valley, type 51	Valley, type 52	Wis., type 54	Wis., type 55	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1946	0	10.6	0	0	2.2	0	12.8
1947	0	10.3	0	0	.8	0	11.1
1948	0	12.3	0	0	2.0	3.0	17.3
1949	0	9.3	.1	3.2	.2	.5	13.3
1950	2.6	.3	.1	3.7	1.4	.6	1/11.5
1951	.6	1.1	1.7	2.7	4.8	.1	1/11.0
1952	2/	1.4	2/	2/	2/	2/	1.4
1953	2.7	1.4	3/	1.8	2.4	1.9	1/10.3
1954	1.2	5.1	.8	3.4	1.3	.9	12.7
1955	.8	2.8	7.8	5.2	.4	3.1	20.1
1956	.4	1.5	1.7	1.6	.1	.9	6.2
1957	.1	1.5	2.5	.4	---	.3	4.8
1958	0	4/	.3	.1	0	.1	.5
Total	8.4	57.6	15.0	22.1	15.6	11.4	1/133.0
Remaining as of Feb. 28, 1959	0	0	6.7	5.9	0	.9	13.5

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53).

2/ Price support not in effect because marketing quotas were disapproved by growers.

3/ Less than 50,000 pounds.

4/ 1958 crop marketings not completed.

straight stripped and crop lots was about a tenth above 1957. Only a small quantity was received under Government loan.

Legislation has been proposed in Congress that, if enacted, will affect tobacco price support determinations for eligible cigar types. If the proposal becomes law, the 1959 support level for the Ohio filler-Wisconsin binder types will not exceed the 1958 support level. The October 1, 1958 parity price for these types was 30.8 cents per pound; 90 percent of that figure--27.7 cents--was the basis for computing the 1958 support levels. The parity for these types based on data for February 1959 was 31.8 cents per pound--1 cent higher than last October 1.

Parity Price Revision for  
Connecticut Valley Binder, Types 51-52

The U. S. Department of Agriculture announced on January 30, 1959 that the parity price of Connecticut Valley cigar binder (types 51 and 52) was seriously out of line with parity prices of other agricultural commodities, and gave notice of change in the method of computing the parity for this tobacco. This determination was made pursuant to Section 301(a)(1)(F) of the Agricultural Adjustment Act of 1938 as amended.

The change in the parity computations for types 51-52 results in a figure of 44.0 cents per pound based on data for February 1959. The October 1, 1958 parity--the basis for the 1958 crop price support--was 58.3 cents per pound 14.3 cents above the figure computed in late February 1959. The revised method for computing the types 51-52 parity provides that for 1959 the figure 37.9 cents per pound shall be substituted for the actual 10-year average price. In the years ahead, the 37.9 cent figure will change gradually to reflect each successive season's average price. By 1969 the calculation of the parity price will have again reverted to the standard parity formula, which uses as its starting point the most recent 10-year average of actual prices received by farmers.

The determination of a revised parity for the Connecticut Valley types 51-52 resulted from an investigation and study of available data and material bearing on the subject. This included evidence presented at a public hearing held on December 18 at West Springfield, Massachusetts, attended by producers and representatives of producer organizations and cigar manufacturers. Action leading to the hearing was initiated by the Conn-Mass Tobacco Cooperative, Inc. --a growers' organization--at the request of a group representing a cross section of producers of these types of tobacco.

The change in the method of calculating the parity price for Connecticut Valley cigar binder tobacco will result in a sizable reduction in the support level for the 1959 and future crops from the levels of recent years. If the "Parity Index (Prices Paid by Farmers for Commodities and Services, Including Interest, Taxes, and Wage Rates)" should stay at the February 1959 level, the 1959 support price for types 51-52 would be 39.6 cents per pound. If the "Parity Index" should advance by September, the support price would rise by about the same percentage.

The sharp expansion in the use of processed sheet binder in place of natural leaf binder has changed substantially the price and consumption prospects for the Connecticut Valley binder types. Parity prices that continued to be based on historical prices that largely reflected demand conditions prior to the advent of processed binder would be unrealistically high. The change in the method of calculating the parity for Connecticut Valley cigar binder tobacco and the resultant reduction in the support level will enable Connecticut Valley producers to compete for a share of the sizable and still expanding market for leaf used in processed binder sheet. Certain physical characteristics of Connecticut Valley binder justify a margin above the price of Wisconsin binder type 55. The revised Connecticut parity price maintains a differential, although a somewhat narrower one than in previous years.

#### 1959 Cigar Filler and Binder Allotments

The 1959 acreage allotment for the Connecticut Valley binder types (announced on January 30, 1959) is 11,992 acres--virtually the same as in 1958. The 1959 acreage allotment for the Ohio filler and Wisconsin binder types (announced the same time) is 24,943 acres. In these areas most farm allotments will be about the same in 1959 as in 1958. Marketing quotas and acreage allotments were approved on the 1957, 1958 and 1959 crops by growers of the Connecticut binder and Ohio filler-Wisconsin binder types a little over 2 years ago.

In a referendum held February 24 of this year, growers of Pennsylvania filler type 41 voted heavily against marketing quotas on their next 3 crops. Marketing quotas have never been in effect on this kind of tobacco. Unless growers of this kind of tobacco petition the Secretary of Agriculture for an earlier referendum, another referendum for type 41 will not be held until early in 1962 at which time producers will vote on quotas applicable to 1962, 1963 and 1964.

#### Supplies

Filler: The 1958-59 total supply of continental filler types grown in Pennsylvania and Ohio is 178 million pounds--2 percent above the long-time low of 1957-58. Based on farmers' intentions as of March 1, the 1959 prospective acreage of these types is 35,000--7 percent more than 1958. Indicated acreage in Pennsylvania is 31,000 and in Ohio, 4,000.

If 1959 yields equal the 1954-58 average cigar filler production this year will be about 56 million pounds--4 percent above 1958. Carryover of continental cigar filler next October 1 may be around 125 million pounds--only a little larger than last October, when it was third smallest on record. Total supplies indicated for 1959-60--this year's crop plus carryover--may approximate 181 million pounds, perhaps 2 percent larger than for the current year.

Table 21.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, 1947-58

Year	(Farm-sales weight)						
	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Mil.lb.	Cents
	<u>Pennsylvania Seedleaf (type 41)</u>						
1947	52.1	98.5	150.6	50.8	49.3	1.5	30.5
1948	57.4	99.8	157.2	51.2	50.5	.7	26.3
1949	54.2	106.0	160.2	44.4	43.7	.7	26.4
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	43.0	42.9	.1	20.5
1958 2/	51.0	103.5	154.5				27.5
	<u>Ohio, Miami Valley (types 42-44)</u>						
1947	8.4	23.7	32.1	8.2	8.2		31.0
1948	10.9	23.9	34.8	8.9	8.9		23.0
1949	11.2	25.9	37.1	9.1	9.1		25.0
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958 2/	2.9	20.5	23.4				
	<u>Puerto Rico (type 46)</u>						
1947	26.1	74.0	100.1	32.1	30.6	1.5	27.5
1948	27.0	68.0	95.0	41.8	32.9	8.9	27.0
1949	26.0	53.2	79.2	28.1	25.9	2.2	20.0
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.4	.1	27.5
1958 2/	25.0	49.6	74.6				

1/ Year beginning October 1. 2/ Subject to revision.

The Puerto Rican filler (type 46) is planted in the fall and harvested in the early months of the next calendar year. In December the Government of Puerto Rico announced that estimated plantings for 1958-59 totaled about 24,300 acres--6 percent less than a year earlier.

Binder: The 1958-59 total supply of Connecticut Valley binder (types 51-52) is 43 million pounds--the smallest on record. Based on farmers' intentions as of March 1, the 1959 prospective acreage of these types is 19 percent larger than harvested last year when over two-thirds of the total allotment was placed in the Soil Bank acreage reserve. That phase of the Soil Bank program was terminated after 1958. If yields per acre should equal the 1954-58 average and harvested acreage is close to intentions, the 1959 production of binder tobacco in the Connecticut Valley will approximate 5.9 million pounds--only about 1 million above the very small production of last year. This year's crop plus the estimated carryover next October 1 of around 30 million pounds would provide a total supply of roughly 36 million pounds for 1959-60--7 million less than for the current year.

The 1958-59 total supply of Wisconsin binder (types 54-55) is about 68 million pounds--down 6 percent from last year and a record low. According to farmers' March 1 intentions, this year's acreage may be 14,100--about 8 percent greater than in 1958. If yields per acre should equal the 1954-58 average, production of Wisconsin tobacco may be near 23 million pounds--7 percent above last year. This year's crop plus the estimated carryover next October 1 of around 44 million pounds would provide a total supply of nearly 67 million pounds for 1959-60--down about 1 million from the level for the current year.

Wrapper: The 1958-59 total supply of shade-grown wrapper is about  $37\frac{3}{4}$  million pounds--only slightly above 1957-58 but still a record high. Prospective acreage of the two wrapper types is 13,400--5 percent above last year's harvested acreage. Only a slight increase is indicated in the Connecticut Valley, while the major part of the increase is in the Georgia-Florida area. If 1959 yields per acre should equal the 1956-58 average, this year's production would be near  $17\frac{1}{2}$  million pounds--only a little larger than last year. Cigar wrapper carryover on July 1, 1959 may approach 21 million pounds--a little above last July and second highest on record. Adding to the carryover this year's production, the prospective total supply for 1959-60 may be near  $38\frac{1}{2}$  million pounds--about 2 percent above 1958-59 and above any previous year.

#### Disappearance and Exports

Filler: The 1958-59 marketing year disappearance of continental filler types may increase moderately from the comparatively low level of 1957-58. Nearly all the filler tobacco outlet is domestic manufactures. Exports usually account for very little, though about two-fifths of a million pounds of cigar filler type tobacco went to Viet Nam in late 1958.

Table 22--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, 1947-58

Year	Production	(Farm-sales weight)						Average price per pound	
		Stocks October 1	Supply	Disappearance 1/					
		Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds		
Connecticut Valley Broadleaf (type 51)									
1947	15.0	28.6	43.6	13.3				51.0	
1948	14.0	30.3	44.3	17.8	13.5	4.3		60.0	
1949	14.1	26.5	40.6	12.9	11.8	1.1		53.0	
1950	16.4	27.7	44.1	14.3	13.3	1.0		52.0	
1951	14.5	29.8	44.3	14.1	13.2	.9		51.0	
1952	14.8	30.2	45.0	14.5	13.8	.7		50.0	
1953	14.7	30.5	45.2	13.4	12.7	.7		58.4	
1954	13.3	31.8	45.1	11.7	11.5	.2		56.5	
1955	12.1	33.4	45.5	14.7	14.3	.4		44.9	
1956	7.5	30.8	38.3	12.8	11.3	1.5		59.0	
1957	5.1	25.5	30.6	8.4	7.7	.7		50.0	
1958 2/	3.2	22.2	25.4						
Connecticut Valley Havana Seed (type 52)									
1947	15.1	16.5	31.6	12.2				73.3	
1948	14.6	19.3	33.9	14.1	9.4	4.7		62.3	
1949	14.7	19.8	34.5	9.5	7.4	2.1		41.9	
1950	15.2	25.0	40.2	12.9	11.2	1.7		39.8	
1951	11.2	27.3	38.5	11.0	9.1	1.9		42.6	
1952	9.6	27.5	37.1	12.9	11.5	1.4		48.9	
1953	12.0	24.2	36.2	11.9	10.8	1.1		54.9	
1954	11.9	24.3	36.2	12.9	12.2	.7		44.0	
1955	9.9	23.3	33.2	11.6	10.1	1.5		35.0	
1956	5.8	21.6	27.4	7.2	5.7	1.5		42.3	
1957	3.2	20.2	23.4	7.5	6.3	1.2		44.9	
1958 2/	1.7	15.9	17.6						
Total Connecticut Valley (types 51-52)									
1947	30.1	45.1	75.2	25.6				62.2	
1948	28.6	49.6	78.2	31.9	22.9	9.0		61.2	
1949	28.8	46.3	75.1	22.4	19.2	3.2		47.4	
1950	31.6	52.7	84.3	27.2	24.5	2.7		46.1	
1951	25.7	57.1	82.8	25.1	22.3	2.8		47.3	
1952	24.4	57.7	82.1	27.4	25.3	2.1		49.6	
1953	26.7	54.7	81.4	25.3	23.5	1.8		56.8	
1954	25.2	56.1	81.3	24.6	23.7	.9		50.6	
1955	22.0	56.7	78.7	26.3	24.4	1.9		40.4	
1956	13.3	52.4	65.7	20.0	17.0	3.0		51.7	
1957	8.3	45.7	54.0	15.9	14.0	1.9		48.2	
1958 2/	4.9	38.1	43.0						

1/ Year beginning October 1.

2/ Subject to revision.

Table 23.—Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, 1947-58

Year	(Farm-sales weight)						
	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
				Million pounds	Million pounds	Million pounds	Million pounds
Southern Wisconsin (type 54)							
1947	15.8	37.9	53.7	16.5			22.3
1948	11.9	37.2	49.1	9.3	8.9	.4	22.4
1949	12.6	39.8	52.4	12.3	12.3		22.8
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958 2/	8.6	20.0	28.6				34.4
Northern Wisconsin (type 55)							
1947	21.5	37.6	59.1	22.9			34.9
1948	18.4	36.2	54.6	19.4	17.7	1.7	23.0
1949	18.8	35.2	54.0	13.2	13.0	.2	28.5
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958 2/	12.7	26.6	39.3				34.8
Total Wisconsin types (54-55)							
1947	37.3	75.5	112.8	39.4			29.6
1948	30.3	73.4	103.7	28.7	26.6	2.1	22.7
1949	31.4	75.0	106.4	25.5	25.3	.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958 2/	21.3	46.6	67.9				34.6

1/ Year beginning October 1.

2/ Subject to revision.

Table 24.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, 1947-58

Year	(Farm-sales weight)						Average price per pound	
	Production	Stocks July 1	Supply	Disappearance 1/				
				Total	Domestic	Exports		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	
Connecticut Valley Shade-grown (type 61)								
1947	9.3	10.1	19.4	8.7			310.0	
1948	9.8	10.7	20.5	8.4			290.0	
1949	11.1	12.1	23.2	9.6			205.0	
1950	9.1	13.6	22.7	9.7			205.0	
1951	8.2	13.0	21.2	8.3			205.0	
1952	8.9	12.9	21.8	10.8			210.0	
1953	10.3	11.0	21.3	9.9			205.0	
1954	9.9	11.4	21.3	10.2			215.0	
1955	8.8	11.1	19.9	9.3			215.0	
1956	10.3	10.6	20.9	9.5			190.0	
1957	11.8	11.4	23.2	10.1			205.0	
1958 2/	10.9	13.1	24.0					
Georgia-Florida Shade-grown (type 62)								
1947	4.2	3.2	7.4	3.6			265.0	
1948	5.3	3.8	9.1	4.6			245.0	
1949	6.2	4.5	10.7	4.8			195.0	
1950	6.4	5.9	12.3	5.4			200.0	
1951	6.8	6.9	13.7	5.4			180.0	
1952	5.8	8.3	14.1	5.8			180.0	
1953	4.5	8.3	12.8	6.0			195.0	
1954	6.6	6.8	13.4	6.5			195.0	
1955	6.8	6.9	13.7	7.3			185.0	
1956	6.8	6.4	13.2	6.1			180.0	
1957	7.1	7.1	14.2	6.7			185.0	
1958 2/	6.3	7.5	13.8					
Total Shade-grown (types 61-62)								
1947	13.5	13.4	26.9	12.4			296.0	
1948	15.1	14.5	29.6	13.0	10.5	2.5	274.0	
1949	17.3	16.6	33.9	14.5	10.8	3.7	201.0	
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0	
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0	
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0	
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0	
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0	
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0	
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0	
1957	18.9	18.5	37.4	16.8	11.5	5.3	197.0	
1958 2/	17.2	20.6	37.8					

1/ Year beginning July 1.

2/ Subject to revision.

Binder: The 1958-59 marketing year disappearance of most cigar binder types will probably continue to trend downward. Despite the increased number of cigars and cigarillos, the major proportion will be using binder sheet, which can bind many more units than an equal quantity of natural leaf binders (unstemmed basis). Scrap chewing tobacco, another sizable outlet for cigar binder types, continues to trend downward.

During the first third of the current marketing year, exports of the binder types were far below those in the comparable period of 1957-58. Shipments of Connecticut Valley tobacco were only a third as much as they were a year earlier. Shipments of Wisconsin tobacco were only a fifth as much as in the first third of 1957-58 when West Germany took an unusually large amount.

Wrapper: Total disappearance of shade-grown wrapper types in July 1958-June 1959 is expected to be about as large as in 1957-58. Domestic use may be up a little. During the first 7 months of the current marketing year, exports of cigar wrapper were almost even with the high level of a year earlier. Exports to West Germany, usually the principal foreign outlet, were down 12 percent. Quantities exported to Belgium, Netherlands and Denmark also were smaller. These declines were nearly offset by the sizable increases to Brazil and East Germany.

During the first 7 months of the current marketing year, exports of wrapper consisted of 78 percent, Connecticut Valley type 61 and 22 percent, Georgia-Florida type 62.

#### TOTAL U.S. TOBACCO SINCE 1925

Arthur G. Conover

Interest is often expressed in the overall statistical position of U. S. tobacco regardless of the very considerable differences among the several kinds of tobacco that make up the whole. For this reason, the figures for the several domestic kinds (which are in turn composed of 1 to 4 individual types) are combined into overall totals and are shown in table 25. While series on acreage, yield, supply, domestic use, exports, price and value on such an overall basis may be useful for some purposes, yet most conclusions reached from total tobacco data would be risky indeed if applied to the separate kinds of tobacco.

The different kinds and types of tobacco have certain characteristics that greatly limit their substitutability. Some have largely special uses and some have multiple uses. Exports are a much more significant outlet for some kinds than others. Trends for different kinds vary in degree and are often even divergent. Any conclusion reached regarding the position of flue-cured, the major cigarette tobacco, would for example usually be unwarranted if applied to fire-cured, cigar binder tobacco or even burley, the other large-volume cigarette tobacco.

For sound analysis therefore we must deal with each separate kind of tobacco at least, and, frequently, with individual types. So, it would be

difficult to answer many questions on total tobacco in a way that would also accurately represent the answer for individual kinds. In such cases, generalizations from an overall statistical table on tobacco might be completely erroneous with respect to certain separate kinds.

Although the data in table 25 do obscure differences for individual kinds of tobacco, they provide convenient summary figures that indicate magnitudes and trends for total domestic tobacco for ready comparision with other agricultural commodities and nonagricultural commodities. Another use for such overall tobacco series is they can be studied in relation to population growth and such comprehensive economic indicators as industrial production, gross national product, national income, and total U. S. foreign trade.

A few of the broadly significant long-term comparisons may be briefly mentioned here.

Total tobacco acreage averaged nearly a third less in 1956-58 than in 1925-29. On the other hand, average yields per acre in the recent 3 years were double those of 30 years ago. Average total tobacco production was therefore almost two-fifths greater in 1956-58 than in 1925-29. (Tobacco production in 1957 and 1958 was reduced to the lowest level for postwar years because of large carryovers.) Total acreage in crops in agriculture as a whole declined only moderately between the two periods, but crop production per acre increased about 42 percent and total crop production increased about 38 percent. Overall output of U. S. farms including crops, livestock, and livestock products, averaged about 60 percent larger in 1956-58 than in 1925-29.

Although tobacco yields per acre doubled since 1925-29, output per man-hour expended in tobacco production increased only about 30 percent. Particularly in the tobacco harvesting and related operations, no appreciable change has occurred in labor requirements. Comparatively little mechanization has been achieved--a great deal of hand labor is still necessary for proper handling of the tobacco harvest. In contrast, production per man-hour for agricultural crops as a whole has risen approximately 175 percent and output per man-hour for livestock and products increased over 60 percent in the last 30 years.

The total supply of tobacco in 1956-58 has averaged about 3 times total annual disappearance while the average for this ratio in 1925-29 was  $2\frac{1}{4}$  times total disappearance. Customarily, manufacturers carry large stocks of tobacco since aging of 2 or more years is generally necessary and blending from crops of different years assures more uniform quality. Tobacco supplies in relation to annual use, are therefore normally much greater than for most other agricultural and nonagricultural commodities.

The average consumption of U. S. tobacco in domestic factories (domestic disappearance) in the recent 3 years was 80 percent larger than the annual average for 1925-29. Population 15 years and over increased about 44 percent between the two periods while the number aged 20-64 (the age range in which there is a large proportion who use tobacco) increased about 41 percent. The

Table 25.--Tobacco: Acreage yield, production, stocks, supply, disappearance, price and crop value, United States and United States including Puerto Rico, for specified years (farm-sales weight)

Crop year	Acreage	Yield	Production	Stocks 1/	Supply	Disappearance 1/			Exports	per lb.	Av. price	Value of crop
						Mil. lb.	Mil. lb.	Mil. lb.			Ct.	
	: 1,000 a.	Lb.	Mil. lb.	Mil. lb.	Mil. lb.							
1925	:	1,751	786	1,376	1,831	3,207	1,336	760	576	16.8	231	
1926	:	1,628	792	1,289	1,871	3,160	1,363	788	575	17.9	231	
1927	:	1,556	778	1,211	1,797	3,008	1,324	784	540	20.7	250	
1928	:	1,864	737	1,373	1,684	3,057	1,420	787	633	20.0	274	
1929	:	1,980	774	1,533	1,637	3,170	1,491	814	677	18.3	281	
1930	:	2,124	776	1,648	1,679	3,327	1,401	767	634	12.8	211	
1931	:	1,988	787	1,565	1,926	3,491	1,191	718	473	8.2	129	
1932	:	1,405	725	1,018	2,300	3,318	1,179	743	436	10.5	107	
1933	:	1,739	789	1,372	2,139	3,511	1,224	721	503	13.0	178	
1934	:	1,273	852	1,085	2,287	3,372	1,152	757	395	21.3	225	
1935	:	1,439	905	1,302	2,220	3,522	1,330	857	473	18.4	239	
1936	:	1,441	807	1,163	2,192	3,355	1,331	885	446	23.6	274	
1937	:	1,753	895	1,569	2,024	3,593	1,409	902	507	20.4	320	
1938	:	1,601	866	1,386	2,183	3,569	1,435	921	514	19.6	270	
1939	:	2,000	940	1,881	2,134	4,015	1,287	935	352	15.4	289	
1940	:	1,410	1,036	1,460	2,728	4,188	1,179	990	189	16.1	234	
1941	:	1,306	966	1,262	3,009	4,271	1,433	1,112	321	26.4	333	
1942	:	1,377	1,023	1,408	2,838	4,246	1,592	1,274	318	36.9	520	
1943	:	1,458	964	1,406	2,654	4,060	1,675	1,287	388	40.5	570	
1944	:	1,750	1,115	1,951	2,385	4,336	1,946	1,407	539	42.0	820	
1945	:	1,821	1,094	1,991	2,390	4,381	1,928	1,334	594	42.6	848	
1946	:	1,961	1,181	2,315	2,453	4,768	2,012	1,355	657	45.1	1,044	
1947	:	1,852	1,138	2,107	2,756	4,863	1,850	1,413	437	43.6	918	
1948	:	1,554	1,274	1,980	3,013	4,993	1,922	1,417	505	48.2	955	
1949	:	1,623	1,213	1,969	3,071	5,040	1,951	1,420	531	45.9	905	
1950	:	1,599	1,269	2,030	3,089	5,119	1,975	1,451	524	51.7	1,049	
1951	:	1,780	1,310	2,332	3,144	5,476	2,072	1,488	584	51.1	1,191	
1952	:	1,772	1,273	2,256	3,404	5,660	2,055	1,557	498	49.9	1,125	
1953	:	1,633	1,261	2,059	3,605	5,664	1,995	1,480	515	52.3	1,076	
1954	:	1,668	1,346	2,244	3,669	5,913	1,936	1,420	516	51.1	1,147	
1955	:	1,495	1,466	2,193	3,977	6,170	2,055	1,407	648	53.2	1,166	
1956	:	1,364	1,596	2,176	4,115	6,291	1,927	1,370	557	53.7	1,169	
1957 2/	:	1,122	1,486	1,668	4,364	6,032	1,917	1,389	528	56.1	936	
1958 2/	:	1,081	1,605	1,735	4,115	5,850				59.7	1,035	
						United States and Puerto Rico 3/						
1935	:	1,483	895	1,328	2,280	3,608	1,357	884	473	18.3	243	
1936	:	1,491	803	1,198	2,251	3,449	1,363	917	446	23.3	279	
1937	:	1,816	888	1,613	2,086	3,699	1,449	942	507	20.1	325	
1938	:	1,620	864	1,400	2,250	3,650	1,459	945	514	19.4	272	
1939	:	2,033	939	1,909	2,191	4,100	1,318	966	352	15.3	293	
1940	:	1,451	1,027	1,490	2,782	4,272	1,202	1,013	189	16.1	240	
1941	:	1,348	960	1,294	3,070	4,364	1,464	1,143	321	26.2	339	
1942	:	1,389	1,020	1,417	2,900	4,317	1,622	1,304	318	36.9	523	
1943	:	1,494	960	1,434	2,695	4,129	1,690	1,302	388	40.5	581	
1944	:	1,798	1,108	1,993	2,439	4,432	1,967	1,428	539	41.6	830	
1945	:	1,857	1,089	2,023	2,465	4,488	1,957	1,363	594	42.5	860	
1946	:	1,987	1,177	2,339	2,531	4,870	2,040	1,383	657	44.9	1,050	
1947	:	1,884	1,132	2,133	2,830	4,963	1,882	1,444	438	43.4	925	
1948	:	1,586	1,265	2,007	3,081	5,088	1,964	1,450	514	47.9	962	
1949	:	1,659	1,203	1,995	3,124	5,119	1,979	1,446	533	45.6	910	
1950	:	1,633	1,259	2,056	3,140	5,196	2,004	1,480	524	51.4	1,056	
1951	:	1,814	1,301	2,360	3,192	5,552	2,106	1,522	584	50.8	1,200	
1952	:	1,808	1,267	2,290	3,446	5,735	2,083	1,585	498	49.6	1,136	
1953	:	1,673	1,251	2,093	3,652	5,745	2,027	1,512	515	51.9	1,086	
1954	:	1,705	1,336	2,278	3,718	5,996	1,960	1,444	516	50.8	1,157	
1955	:	1,530	1,453	2,223	4,036	6,259	2,086	1,438	648	52.8	1,174	
1956	:	1,390	1,583	2,200	4,173	6,373	1,959	1,402	557	53.5	1,176	
1957 2/	:	1,148	1,476	1,695	4,414	6,109	1,944	1,416	528	55.6	943	
1958 2/	:	1,105	1,614	1,783	4,165	5,948						

1/ For flue-cured and cigar wrapper, year beginning July 1; for all other types, Oct. 1. 2/ Preliminary.

3/ Stocks held in Puerto Rico unavailable before 1936, which prevents extending series back to 1925.

much greater increase in tobacco consumption than in population is partly a reflection of the considerably larger percentage of smokers in the population now than 30 years ago. Although specific comparative statistics are lacking, smoking by women is much more common now than in the late 1920's. The predominant part of the U. S. leaf absorbed by domestic factories is ultimately consumed in manufactured form by U. S. consumers (including overseas forces). During the last 30 years, only 2 to 5 percent of total domestic factory usings was exported in manufactured form for foreign consumption.

Most of our tobacco exports are in leaf form. Unmanufactured tobacco is generally our third or fourth ranking agricultural export, and we have long been the leading tobacco exporting country. Exports of tobacco in 1925-29 averaged 600 million pounds (farm-sales weight) and constituted 43 percent of total disappearance. Since then, yearly exports have usually been below that high level and topped it only in 1930, 1946 and 1955. In the 1955-57 marketing years, tobacco exports averaged 578 million pounds (farm-sales weight)--4 percent less than 30 years ago. Tobacco leaf exports in these recent years constituted about 29 percent of total disappearance while the greatly increased domestic use comprised a much larger share than 30 years ago. Total dollar value of all U. S. agricultural exports in 1956-58 averaged 2 times as much as in 1925-29, while the dollar value of tobacco exports in 1956-58 averaged nearly  $2\frac{1}{2}$  times as much as in the earlier period.

The United States for many years has been importing substantial quantities of aromatic cigarette leaf types and cigar tobacco. These foreign-grown types are mostly blended with domestic types in the manufacture of cigarettes and cigars. The sharp uptrend in cigarette consumption in the last 3 decades has been accompanied by increased imports of tobacco, particularly aromatic cigarette leaf. Average annual imports of all unmanufactured tobacco in 1956-58 at 128 million pounds (declared weight) were 68 percent larger than in 1925-29. Dollar value of imported tobacco in 1956-58 averaged 98 million dollars--56 percent higher than in 1925-29. The value of total agricultural imports in the 3 recent fiscal years averaged 3.9 billion dollars, about 75 percent greater than 30 years ago. Total U. S. imports of all commodities at near 13 billion dollars in recent years are triple the annual average of 30 years ago.

The average price received by all tobacco growers for their 1956-58 crops was 200 percent above the 1925-29 average. In manufacturing as a whole, average hourly earnings of production workers in 1956-58 were 270 percent higher than in 1925-29. Prices received by farmers for all agricultural commodities in 1956-58 averaged 62 percent higher than in 1925-29. Prices paid by farmers (including interest, taxes and wage rates) during 1956-58 averaged 79 percent higher than in 1925-29.

Growers' receipts from the tobacco crops produced in 1956-58 averaged over 4 times as much as the 1925-29 yearly average. Farmers' cash receipts from all agricultural commodities in 1956-58 averaged about  $2\frac{2}{3}$  times as much as the 1925-29 average. Annual personal income in the country as a whole during 1956-58 was nearly  $4\frac{1}{3}$  times as much as in 1925-29. Annual

consumer expenditures on tobacco products in 1956-58 was 3.6 times as much as 30 years ago. Combined Federal and State taxes on tobacco products in 1956-58 averaged about 6 times as large as in 1925-29.

#### Explanatory Notes Pertaining to Table 25

As indicated in footnote 1, table 25, the combined figure representing total tobacco stocks and disappearances reflects the summation of figures applicable to two different but overlapping 12-month periods. The two periods overlap to the extent of 9 months or three-fourths of a year. It has been standard practice for many years to calculate the disappearances for flue-cured and cigar wrapper types on a July-June basis and for all other types on an October-September basis. The respective marketing seasons and periods when tobacco is moving from the farmer to storage or stocks position make these two 12-month spans the most satisfactory for calculating disappearances. The summation of the two sets of stocks figures or disappearances provide reliable overall annual indicators even though the beginning and end of the respective 12-month periods are 3 months apart.

Estimates of acreage, yield per acre and production for Puerto Rican tobacco, type 46, are not prepared by the Crop Reporting Board, U. S. Department of Agriculture, and are not included in the regular crop reports of the Department. However, statistics on stocks of Puerto Rican tobacco are collected and reported regularly in the quarterly stocks reports issued by the Tobacco Division of the Department's Agricultural Marketing Service. In order to present totals for continental United States and Puerto Rican tobacco combined, acreage, yield, production and price data from official Puerto Rican and other sources have been used. Since data for tobacco stocks held on the Island of Puerto Rico were not collected prior to January 1, 1936, it was not deemed feasible to extend the series back beyond 1935. A reasonable estimate could be made of the Island stocks as of October 1, 1935 based on the January 1, 1936 level.

October 1 stocks of Puerto Rican tobacco are added to the crop planted in the fall of the same year (but generally not harvested and marketed until the first half of the following year) for the purpose of arriving at total supply. Stocks of U. S. continental types (July 1 or October 1) are added to crops planted and harvested in the same calendar year to arrive at total supply figures.

The overall United States tobacco figures include the relatively small and unique type known as Perique, which is grown in Louisiana. For the years before 1935, Perique stocks were estimated but the magnitudes were very small relative to U. S. totals.

Table 26 .--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

	1958				1959
	January 1	April 1	July 1	October 1	January 1
	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds	Thousand pounds
Flue-cured (types 11-14)					
Stemmed	877	993	846	651	622
Burley (type 31)					
Stemmed	617	619	508	417	365
Total for cigarettes 2/					
Stemmed	1,494	1,612	1,354	3/1,070	3/989
Maryland (type 32)					
Stemmed	11		7	19	57
Unstemmed	0		27	0	0
Sub total	11		34	19	57
Pennsylvania (type 41)					
Stemmed	83	182	97	63	213
Unstemmed	103	295	365	160	151
Sub total	186	477	462	223	364
Connecticut Valley (type 51)					
Stemmed	234	270	222	214	345
Unstemmed	205	239	228	271	325
Sub total	439	509	450	485	670
Connecticut Valley (type 52)					
Stemmed	1	0	0	0	23
Unstemmed	373	435	282	249	356
Sub total	374	435	282	249	379
Northern Wisconsin (type 55)					
Stemmed	0	0	0	24	60
Unstemmed	46	36	69	115	16
Sub total	46	36	69	139	76
Connecticut Valley (type 61)					
Stemmed	176	243	21	135	231
Unstemmed	0	0	138	69	40
Sub total	176	243	159	204	271
Total for Cigars 4/					
Stemmed	526	733	353	493	982
Unstemmed	728	1,011	1,145	869	908
Sub total	1,254	1,744	1,498	1,362	1,890
Grand total for all types	2,748	3,356	2,852	2,432	2,879

1/ Does not include tobacco stems added in manufacturing process.

2/ Including smoking tobacco.

3/ Includes very small quantity of Maryland (type 32).

4/ For each date includes small quantities of Ohio (types 42-44), Puerto Rican (type 46) Cuban (type 51) and for some dates small quantities of Southern Wisconsin (type 54), Georgia-Florida (type 62) and Philippine Islands (type 83).

Table 27.--Acreage of tobacco in the United States, by class and type,  
average 1947-49, annual 1956-59, and percentages

Class and type					Percentage
	Average	1957	1958	1959	change
	1947-49			1/	1958 to 1959
	: 1,000 acres	: 1,000 acres	: 1,000 acres	: 1,000 acres	Percent
Old and Middle Belt, type 11	: 355.0	237.0	228.0	248.0	8.8
Eastern North Carolina, type 12	: 327.0	218.0	212.0	225.0	6.1
South Carolina, type 13	: 198.0	133.0	129.0	139.0	7.8
Georgia and Florida, type 14	: 113.5	74.7	69.4	86.3	24.4
Total flue-cured, types 11-14	: 993.5	662.7	638.4	698.3	9.4
Virginia, type 21	: 12.0	6.9	6.8	8.2	20.6
Kentucky and Tennessee, type 22	: 39.3	22.2	18.7	21.7	16.0
Kentucky and Tennessee, type 23	: 17.6	7.5	6.1	7.7	26.2
Total fire-cured, types 21-23	: 2/69.0	36.6	31.6	37.6	19.0
Burley, type 31	: 433.3	306.6	300.9	304.4	1.2
Maryland, type 32	: 48.0	37.0	34.0	38.0	11.8
One Sucker, type 35	: 17.8	9.8	8.6	9.1	5.8
Green River, type 36	: 11.4	4.7	4.1	4.5	9.8
Virginia sun-cured, type 37	: 3.2	2.6	1.6	3.1	93.8
Total dark air-cured, types 35-37	: 32.4	17.1	14.3	16.7	16.8
Pennsylvania Seedleaf, type 41	: 3/37.3	29.0	30.0	31.0	3.3
Miami Valley, types 42-44	: 6.8	3.6	2.8	4.0	42.9
Total cigar filler, types 41-44	: 3/44.1	32.6	32.8	35.0	6.7
Connecticut Valley Broadleaf, type 51	: 9.3	2.8	1.9	2.1	10.5
Connecticut Valley Havana Seed, type 52	: 8.8	1.5	.9	1.2	33.3
Southern Wisconsin, type 54	: 9.2	4.4	5.2	5.9	13.5
Northern Wisconsin, type 55	: 13.3	7.2	7.8	8.2	5.1
Total cigar binder, types 51-55	: 4/40.6	15.9	15.8	17.4	10.1
Connecticut Valley shade-grown, type 61	: 10.2	7.9	7.8	7.9	1.3
Georgia and Florida shade-grown, type 62	: 4.6	5.2	5.0	5.5	10.0
Total cigar wrapper types 61-62	: 14.8	13.1	12.8	13.4	4.7
Louisiana Perique, type 72	: .4	5/.2	.2	.2	.0
Total all types	: 1,676.1	1,121.8	1,080.8	1,161.0	7.4

1/ Farmers' intentions as of March 1. 2/ Includes small acreage of type 24.

3/ Includes small acreage of type 53. 4/ Includes small acreage of type 56.

5/ Rounded to hundred acres for inclusion in types and U. S. totals.

Table 28.- Tobacco: Acreage in the United States, by types, for specified periods with percentages

Period	Flue-	Fire-	Burley	Mary-	Dark	Cigar			United States
	cured	cured		land	air-	and sun-	Filler	Binder	
	11-14	21-24	31	32	cured	41-45	51-56	Wrapper	
		1/			35-37	1/	1/	61-62	
	:1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	
Average									
1924-28	893.7	224.4	322.2	31.2	85.9	68.1	64.0	9.6	1,700.3
1929-33	949.5	204.3	460.9	36.1	64.5	65.3	56.3	9.0	1,847.3
1934-38	863.2	135.2	347.2	36.7	42.0	38.7	29.2	8.9	1,501.3
1939-43	872.8	90.1	375.4	38.4	38.6	45.2	39.2	10.2	1,510.3
	:								
1944	:1,017.3	64.7	496.6	45.0	40.2	37.9	37.3	10.5	1,749.9
1945	:1,078.7	61.3	512.3	35.0	44.1	36.0	41.8	11.2	1,820.7
1946	:1,188.8	91.6	489.0	50.0	40.8	39.0	48.8	12.5	1,960.8
1947	:1,161.2	83.8	420.5	47.5	35.3	42.7	46.4	13.6	1,851.6
1948	:883.8	62.6	432.0	46.6	29.9	43.6	39.7	15.1	1,553.6
	:								
1949	:935.4	60.7	447.4	50.0	31.9	42.4	39.5	15.6	1,623.2
1950	:958.4	52.9	408.3	50.0	28.7	45.1	41.5	13.7	1,599.0
1951	:1,110.1	49.0	456.1	53.0	26.5	39.8	31.4	13.6	1,779.9
1952	:1,111.3	47.4	463.5	50.0	26.3	29.4	30.4	13.1	1,771.8
1953	:1,021.8	48.3	419.7	45.0	26.0	30.5	29.0	12.3	1,632.9
	:								
1954	:1,042.2	52.0	420.9	50.0	25.9	33.8	29.4	13.0	1,667.5
1955	:990.7	48.2	310.6	47.0	24.2	33.9	27.7	12.9	1,495.4
1956	:875.3	47.0	309.8	43.7	22.4	34.0	19.1	13.3	1,364.9
1957	:662.7	36.6	306.6	37.0	17.1	32.6	15.9	13.1	1,121.8
1958 2/	:638.4	31.6	300.9	34.0	14.3	32.8	15.8	12.8	1,080.8
1959 3/	:698.3	37.6	304.4	38.0	16.7	35.0	17.4	13.4	1,161.0
	:								
	Percentage decrease								
	Per-	Per-	Per-	Per-	Per-	Per-	Per-	Per-	Per-
	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>	<u>cent</u>
Av. 1947-									
49 to 1959	29.7	45.5	29.7	20.8	48.5	18.4	58.5	9.5	30.7
	:								
	:								
	:								

1/ Types 45, 56, and 24 ended in 1939, 1948, and 1949, respectively.

2/ Subject to revision.

3/ Farmers' intentions as of March 1.

Table 29.--Cash receipts from farm marketings, averages 1936-45,  
annual 1946-58 with percentages

Period	Cash receipts				Tobacco as a percentage of		
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts	
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent	
<b>Average:</b>							
1936-40	4,715	3,491	8,206	274	7.8	3.3	
1941-45	10,057	7,479	17,536	585	7.8	3.3	
1946	13,730	10,834	24,564	969	8.9	3.9	
1947	16,476	13,230	29,706	1,032	7.8	3.5	
1948	17,071	13,136	30,207	945	7.2	3.1	
1949	15,359	12,585	27,944	903	7.2	3.2	
1950	15,976	12,352	28,328	1,061	8.6	3.7	
1951	19,612	13,187	32,799	1,190	9.0	3.6	
1952	18,445	14,248	32,693	1,091	7.7	3.3	
1953	17,209	14,035	31,244	1,094	7.8	3.5	
1954	16,688	13,515	30,203	1,161	8.6	3.8	
1955	15,837	13,427	29,264	1,225	9.1	4.2	
1956	16,304	14,236	30,539	1,162	8.2	3.8	
1957	17,376	12,381	29,757	970	7.8	3.3	
1958 1/	18,846	14,360	33,206	1,027	7.2	3.1	

1/ Preliminary.

Table 30.--Federal and State tax revenues from tobacco products  
for specified periods

Period	Federal					State		Total Federal and State
	Cigarettes	Cigars	Chewing and smoking	Snuff	Total	All tobacco products		
	1/	2/	3/	4/	5/	4/		
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	
<b>Average:</b>								
1930-34	345	14	57	7	424	17	441	
1935-39	472	13	55	7	548	55	603	
1940-44	750	21	50	7	833	133	966	
1945	937	38	49	8	1,034	168	1,202	
1946	1,125	48	38	7	1,218	218	1,436	
1947	1,176	47	36	7	1,267	289	1,556	
1948	1,221	47	36	8	1,312	375	1,687	
1949	1,233	44	35	7	1,320	405	1,725	
1950	1,263	43	34	7	1,348	442	1,790	
1951	1,360	44	31	6	1,446	458	1,904	
1952	1,580	46	18	4	1,662	482	2,144	
1953	1,546	46	17	4	1,614	483	2,097	
1954	1,477	45	16	4	1,543	472	2,015	
1955	1,530	46	16	4	1,596	496	2,092	
1956	1,576	45	14	4	1,639	569	2,208	
1957	1,639	46	14	4	1,704	609	2,313	
1958 5/	1,750	49	14	4	1,817	6/668	2,485	

1/ Includes large cigarettes. 2/ Includes small cigars. 3/ Includes leaf dealer penalties, floor taxes, cigarette papers and tubes, etc. 4/ In post war years cigarette taxes have accounted for about 98 percent of State tobacco tax revenues. 5/ Preliminary. 6/ Estimated.

Table 31.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-57, by quarters 1956-58

Year and quarter	Net sales	Net income			Profit			
		Before Federal tax		After Federal tax	Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax
		Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1	
1948	3,081	257	159	8.3	5.2	22.0	13.7	
1949	3,061	250	156	8.2	5.1	20.2	12.6	
1950	3,129	281	152	9.0	4.9	21.3	11.5	
1951	3,378	295	129	8.7	3.8	21.7	9.5	
1952	3,702	285	120	7.7	3.2	19.8	8.4	
1953	3,768	338	138	9.0	3.7	22.9	9.4	
1954	3,672	329	156	9.0	4.2	21.5	10.2	
1955	3,796	388	183	10.2	4.8	24.2	11.4	
1956	3,959	413	197	10.4	5.0	24.6	11.7	
1957	4,262	459	220	10.7	5.1	26.0	12.5	
1956								
1	904	88	41	9.7	4.5	21.4	10.0	
2	1,002	105	50	10.5	5.0	25.2	12.0	
3	1,026	111	54	10.8	5.3	26.2	12.7	
4	1,027	109	52	10.6	5.1	25.4	12.1	
1957								
1	936	90	44	9.6	4.7	21.0	10.3	
2	1,066	111	52	10.4	4.9	25.4	11.9	
3	1,119	131	62	11.7	5.5	29.3	13.9	
4	1,141	127	62	11.1	5.4	28.3	13.8	
1958								
1	1,036	111	53	10.7	5.1	24.6	11.8	
2	1,172	129	61	11.0	5.2	28.2	13.3	
3	1,225	140	67	11.4	5.5	30.3	14.5	

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

## STATISTICAL SUMMARY

Item	Unit or base	1958			1958-59			Last data as percentage of a year earlier
	period	Jan.	Feb.	Dec.	Jan.	Feb.		
Average price at auctions								
Flue-cured	: Ct. per lb. : C - 1 - o - s - e - d :	50.4	C - 1 - o - s - e - d :					
Burley	: Ct. per lb. : 51.2 Neg. sales :	66.7	63.7	60.6				124
Maryland	: Ct. per lb. : C - 1 - o - s - e - d :		C - 1 - o - s - e - d					
Virginia fire-cured	: Ct. per lb. : 38.4 Closed :	37.8	36.4	33.4				95
Ky.-Tenn. fire-cured	: Ct. per lb. : 36.6 34.4 :		Closed	37.1	37.4			109
Ky.-Tenn. dark air-cured	: Ct. per lb. : 35.8 36.4 :		37.8	38.6	37.6			103
Virginia sun-cured	: Ct. per lb. : 34.6 Closed :	38.1	36.1	Closed				104
Parity prices 1/								
Flue-cured	: Ct. per lb. : 59.6	59.8	61.3	61.7	61.5			103
Burley	: Ct. per lb. : 60.5	60.7	62.2	n.a.	63.6			105
Maryland	: Ct. per lb. : 55.7	55.9	57.0	56.6	56.6			101
Virginia fire-cured	: Ct. per lb. : n.a.	41.1	42.2	n.a.	41.9			102
Ky.-Tenn. fire-cured	: Ct. per lb. : n.a.	40.5	41.6	n.a.	41.6			103
Ky.-Tenn. dark air-cured	: Ct. per lb. : 35.2	35.3	36.3	n.a.	36.8			104
Virginia sun-cured	: Ct. per lb. : 37.0	37.1	37.9	n.a.	38.0			102
Pa. cigar filler	: Ct. per lb. : n.a.	28.7	29.1	n.a.	28.8			100
Conn. Valley cigar binder	: Ct. per lb. : n.a.	57.4	58.8	n.a.	44.0			77
Wis. binder and Ohio filler	: Ct. per lb. : n.a.	30.2	31.1	n.a.	31.8			105
Puerto Rican filler	: Ct. per lb. : 34.0	34.2	34.7	33.0	33.0			96
Parity index 2/	: 1910-14=100 :	290	291	295	298	297		102
Industrial production index 3/	: 1947-49=100 :	133	130	142	143	144		111
Employment	: Mil. :	62.2	62.0	64.0	62.7	62.7		101
Personal income 4/	: Bil. dol. :	348.8	347.5	359.9	363.0	364.5		105
		1957-58		1958-59				
		Dec.	Jan.	Nov.	Dec.	Jan.		
Tax-paid removals								
Cigarettes	: Bil. :	26.4	35.8	34.8	34.0	36.3		101
Cigars	: Mil. :	384.1	444.1	618.1	402.1	442.0		100
Smoking tobacco	: Mil. lb. :	4.5	5.9	5.4	5.2	6.0		102
Chewing tobacco	: Mil. lb. :	4.9	6.0	2.2	5.4	5.6		93
Snuff	: Mil. lb. :	2.9	3.1	2.6	2.9	2.9		94
Accumulated from Jan. 1								
Cigarettes	: Bil. :	409.4	35.8	402.4	436.3	36.3		101
Cigars	: Mil. :	5,761	444.1	5,617	6,020	442.0		100
Smoking tobacco	: Mil. lb. :	68.6	5.9	68.8	74.0	6.0		102
Chewing tobacco	: Mil. lb. :	70.8	6.0	62.7	68.1	5.6		93
Snuff	: Mil. lb. :	36.1	3.1	31.8	34.7	2.9		94
Tax-free removals								
Cigarettes	: Bil. :	3.1	3.0	2.7	2.7	2.6		87
Exports	: Bil. :	1.7	1.3	1.5	1.3	1.4		108
Cigars	: Mil. :	7.2	5.6	7.1	8.1	6.9		123
Smoking tobacco	: Mil. lb. :	.1	.2	.1	.1	.1		50
Chewing tobacco	: Mil. lb. :	.1	.1	.2	.1	.2		200
Accumulated from Jan. 1								
Cigarettes	: Bil. :	32.8	3.0	31.0	33.7	2.6		87
Exports	: Bil. :	17.0	1.3	16.8	18.1	1.4		108
Cigars	: Mil. :	78.9	5.6	78.8	86.9	6.9		123
Smoking tobacco	: Mil. lb. :	1.7	.2	1.8	2.0	.1		50
Chewing tobacco	: Mil. lb. :	1.6	.1	1.2	1.4	.2		200
Wholesale price indexes 5/								
Cigarettes (reg. nonfilter)	: 1947-49=100 :	134.8			134.8			100
Cigars	: 1947-49=100 :	105.1			106.2			101
Smoking tobacco	: 1947-49=100 :	147.2			147.2			100
Plug chewing tobacco	: 1947-49=100 :	134.3			121.2			90
Snuff	: 1947-49=100 :	148.5			148.5			100
Consumer price indexes (urban) 6/								
Cigarettes (reg. nonfilter)	: 1947-49=100 :	133.4			134.5			101
Cigars	: 1947-49=100 :	109.7			109.7			100
Imports of tobacco								
Cigarette leaf	: Mil. lb. :	5.8	9.1	8.6	7.8	9.3		102
Cigar tobacco 7/	: Mil. lb. :	3.9	3.1	3.4	3.2	6.2		200
Accumulated from Jan. 1								
Cigarette leaf	: Mil. lb. :	91.2	9.1	96.9	104.7	9.3		102
Cigar tobacco 7/	: Mil. lb. :	37.0	3.1	35.4	38.7	6.2		200

See footnotes at end of Statistical Summary.

Continued -

STATISTICAL SUMMARY--CONTINUED

<sup>1/</sup> Based on data for month specified. <sup>2/</sup> Prices paid by farmers including interest, taxes and wage rates. <sup>3/</sup> Seasonally adjusted. <sup>4/</sup> Seasonally adjusted, annual rate. <sup>5/</sup> Excise tax excluded. <sup>6/</sup> Federal and applicable state and local

7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for other.  
9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives.

9/ Holdings of manufacturers and dealers including grower cooperatives.  
11/ Weight of tobacco leaf net including stems added. 12/ Data for most recent quarter are preliminary estimates.

11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.

n.a. Not available. \*Less than 50,000 pounds.

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